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Seventy-second session

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Fifth Committee**Summary record of the 18th meeting**

Held at Headquarters, New York, on Thursday, 30 November 2017, at 10 a.m.

Chair: Mr. Tommo Monthe (Cameroon)
*Vice-Chair of the Advisory Committee on Administrative
and Budgetary Questions:* Mr. Sene

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The meeting was called to order at 10.10 a.m.

Agenda item 136: Proposed programme budget for the biennium 2018–2019 (continued)

Strategic heritage plan of the United Nations Office at Geneva (A/72/7/Add.25 and A/72/521)

1. **Mr. Adams** (Director, Division of Administration, United Nations Office at Geneva), introducing the Secretary-General's fourth annual progress report on the strategic heritage plan of the United Nations Office at Geneva (A/72/521), said that during the reporting period progress had been made in planning, design, procurement and construction: the excavations started in April 2017 had been completed as planned; a construction contract for the new building had been awarded in September 2017, within the budget allowance, and work had started in October 2017; detailed design contracts for the renovation phase had been issued; the occupancy studies for the implementation of flexible workplace strategies, known at the Office as smart working, had been completed; physical, communications and technical barriers against persons with disabilities had been removed; and the schedule of work and contracting strategy had been refined.

2. The report contained an update on project financing, the cost plan and expenditure, including the formal agreement on and commencement of utilization of the interest-free loan from the host country of 400 million Swiss francs, which covered new construction and renovation under the project. As requested by the General Assembly, the Secretary-General was exploring alternative funding mechanisms to reduce the overall assessment on Member States. The United Nations had reached an agreement in principle for the long-term lease of the land plots of the Villa Feuilleantines, which would yield an income of 25.6 million Swiss francs until 2021. Information on other potential funding mechanisms was set out in the report. The current annual rental income of the Office, the projected rental income from the relocation of the Office of the United Nations High Commissioner for Human Rights to the Palais des Nations campus and any further rental income from flexible workplace strategies would be applied to the Swiss loan repayments. That would not affect the proposed programme budget for the biennium 2018–2019 because the loan repayment would not start until 2020.

3. To transform the campus into a modern work environment equipped for the Organization's future needs and enable the implementation of flexible workplace strategies, cooling and ventilation systems

should be included as additional requirements in the renovation to ensure that the premises were fit for purpose in a rapidly changing climate. The cost of such systems would be reduced if the renovated building was an open office environment that enabled smart working. To that end, estimated additional resources of between 40 and 50 million Swiss francs would be required. To avoid project delays, the Secretary-General had undertaken a feasibility study and would complete the detailed design work, including a funding proposal, before a decision was required from the General Assembly at its seventy-third session.

4. The new building would be constructed by the end of 2019. In 2018, the detailed design, technical design and tender documentation for the renovation of the historic buildings would be completed, and the procurement activities for the selection of a contractor to renovate those buildings would start.

5. The key decisions to be taken by the Assembly were set out in section VII of the report. Should the Assembly decide on a multi-year scheme of appropriation and assessment and approve the establishment of a special account, authorization was requested for the strategic heritage plan to access the working capital fund established under financial regulation 4.2 and the special account. The Assembly was also requested to take note of the Secretary-General's decision to implement smart working in the new building and request him to report, at the latest in his fifth annual progress report, on the feasibility study and design work for the implementation of smart working in the historic buildings, and to include a related funding proposal.

6. The Assembly was requested to approve the establishment of one new temporary P-5 position of Senior Procurement Officer, to be based in the Office of Central Support Services, effective 1 January 2018 for an initial period of one year, to be funded within existing project resources; authorize the funding, within the overall maximum project cost, of the consultancy services for 2018 for the valorization of United Nations land; and authorize the use of rental income at the United Nations Office at Geneva to offset the Member State appropriation for the repayment of the loan. Timely decisions by the Assembly would allow the project to proceed as planned and would secure the financing as the Organization entered into high-value multi-year construction contracts.

7. **Mr. Sene** (Vice-Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee on Administrative and Budgetary Questions

(A/72/7/Add.25), said that, taking into consideration the tasks involved in the procurement exercise for the renovation phase and the existing capacity in the procurement team, the Advisory Committee recommended approval of the establishment of the position of Senior Procurement Officer in the Office of Central Support Services for an initial period of one year. While the smart working strategy could be implemented in the new building within the current budget allocation, the proposed installation of cooling or ventilation systems in the historic buildings would exceed the scope of the plan. The Advisory Committee was not convinced of the need for a different name for flexible workplace strategies in the United Nations Office at Geneva and expected those strategies to be implemented in the new building without delay within the current budget allocation. The Advisory Committee recommended against the installation of cooling or ventilation in the historic buildings, and the related feasibility study and design work. The Advisory Committee recommended approval of the proposal that valorization-related consultancy services should be funded from within the overall maximum cost of the project. It could not evaluate the proposal that rental income should be used to offset the Member State appropriation for the repayment of the loan, in the absence of data regarding the proposal's financial implications for the programme budget. The project should be kept on schedule to avoid cost overruns.

8. **Ms. Pereira Sotomayor** (Ecuador), speaking on behalf of the Group of 77 and China, said that the Group would seek further information regarding the efficiencies that would result from the changes in the project governance and oversight, and the steps taken to mitigate risk. It looked forward to detailed discussion of the start of the construction of the new building through an early works package, the conclusion of the construction procurement process and the award of the contract, the issuance of detailed design contracts for the renovation, and the removal of barriers against persons with disabilities.

9. The Group would seek further information regarding the steps taken to address the slippage in the schedule. The project timeline should be respected to mitigate cost escalation. The Group noted the smart working strategy, intended to allow 400 additional staff to be accommodated on the campus. While staff must be comfortable, in a well-ventilated, air-conditioned space with the best environmental practices, the project must remain within the budget estimates, particularly since most Member States faced constraints in meeting the increasing assessments. The Group was concerned because the base project costs had increased by

13.4 per cent, from 649,000,000 to 736,103,000 Swiss francs, and the decrease in contingencies from 108,470,000 to 70,845,000 Swiss francs had not resulted in a decrease in the overall project costs, which had remained at the same level. It would seek further information regarding the ways in which the cost increase would be absorbed within the approved resource levels. Bearing in mind the experience of previous major projects, the Group looked forward to considering the currency of appropriation and assessment, the establishment of a multi-year special account and the generation of valorization income.

10. **Mr. Velázquez Castillo** (Mexico) said that the United Nations had embarked on a process of change and would need to maximize efficiency in all areas of work and all offices. The strategic heritage plan must improve efficiency, inclusivity and environmental sustainability while respecting the Organization's guidelines on safety, accessibility and innovation. The implementation of the plan would require effective management and coordination to ensure compliance with the timelines and amounts approved in the schedule of works. The modernization of working practices must be reflected in the equitable assignment of workspace, the use of flexible workplace and smart working strategies, accessibility for persons with disabilities, gender equality, greater use of information technology and sustainable use of energy. The lessons learned from other United Nations infrastructure projects should be applied, particularly in valorization. The Committee must reach agreement on the scheme and currency of appropriation and assessment at the current session. Although progress had been made towards a modern, healthy and efficient workspace, scheduling and funding commitments must also be honoured.

11. **Ms. Norman Chalet** (United States of America) said that the resources dedicated to the plan should be transparently and effectively managed, and the project should be completed within the approved budget and timeline. Her delegation looked forward to discussing governance, risk management, space utilization, accessibility and financing arrangements to ensure that Member States continued to direct the project. In the interests of transparency and good governance, a separate account should be established for the project outside the regular budget. Any revenue from the leasing of United Nations property in Geneva should be used to ensure that the project financing remained within the approved amount. She thanked the Government of Switzerland for providing interest-free loans. The General Assembly at its seventieth session had provided a mandate to implement flexible workplace strategies, and she welcomed the efforts of the United Nations

Office at Geneva and the Office of Central Support Services to use space as efficiently as possible. The strategic heritage plan team should identify ways of modernizing the Palais to provide a more flexible workplace and increase capacity on the campus.

12. **Mr. Lauber** (Switzerland) said that construction work under the plan had started in 2017. Four years into the project, 100 million Swiss francs had been invested and Switzerland had started disbursing its zero-interest loan of 400 million Swiss francs. At the end of 2018, the mid-point of the project cycle would be reached. The benefits of the project would include lower maintenance and electricity expenses, cost avoidance, the optimization of the work environment, better use of space, additional revenue generation, which would allow the Organization and Member States to make substantial annual savings, and greater well-being and productivity. Obsolete infrastructure would be renovated, barriers against persons with disabilities would be removed and a modern, safe and secure work environment would be established. The approved overall cost, timeline, scope and quality targets had been respected, and his delegation commended the Office on the progress made. It was concerned, however, about certain changes in the details of the timeline and the cost of individual segments. Although changes were expected in large, unique projects, the Secretary-General should ensure that the plan was implemented within the budget, scope and schedule approved by Member States.

13. Alternative funding sources had been found with a view to lowering Member States' assessed contributions. In addition to the Swiss loan, land valorization would yield 25.6 million Swiss francs and donations of 23 million Swiss francs had been pledged. That would reduce the remaining net financing requirement during the project cycle to a third of the total cost. The General Assembly should agree on the financing arrangements for the plan at the current session in order to reap the benefits and avoid delays and additional costs, which could discourage staff, partners, contractors and donors.

Estimates in respect of special political missions, good offices and other political initiatives authorized by the General Assembly and/or the Security Council (continued)

Thematic cluster II: sanctions monitoring teams, groups and panels, and other entities and mechanisms (A/72/7/Add.12 and A/72/371/Add.2)

14. **Ms. Bartsiotas** (Controller), introducing the Secretary-General's report on estimates in respect of special political missions, good offices and other political initiatives authorized by the General Assembly and/or the Security Council under thematic cluster II: sanctions monitoring teams, groups and panels, and other entities and mechanisms (A/72/371/Add.2), said that the proposed resources for 2018 for the missions were \$40.5 million, \$2.9 million more than the approved resources for 2017. Part of the increase, in the amount of \$1.6 million, related to the estimated requirements for the Organisation for the Prohibition of Chemical Weapons-United Nations Joint Investigative Mechanism, whose mandate, at the time of the report's preparation, had been expected to be renewed into 2018. The Security Council, however, had not renewed the mandate, which had expired in November 2017, and therefore the estimated resources of \$4.8 million for the Mechanism were not required.

15. The remainder of the increase was attributable to the Panel of Experts on the Democratic People's Republic of Korea, because of new tasks mandated by the Security Council and security requirements; the Analytical Support and Sanctions Monitoring Team; the Implementation of Security Council resolution 2231 (2015), because of the application in 2018 of a lower vacancy rate for positions approved in 2017, and tasks mandated for those positions; and the Counter-Terrorism Committee Executive Directorate, because of new mandated tasks for which the establishment of six new posts was proposed. The increases were partly offset by reduced requirements for six other missions. The requirements, which would be charged against the provision of \$1.1 billion proposed for special political missions under section 3, Political affairs, of the proposed programme budget for the biennium 2018–2019, did not include the resources for the Panel of Experts on Mali, which were the subject of a separate report of the Secretary-General (A/72/371/Add.6).

16. **Mr. Sene** (Vice-Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/72/7/Add.12), said that the six positions requested to cover additional tasks and new areas of expertise for the Counter-Terrorism Committee Executive Directorate included four Legal Officers (P-4), one Communications Officer (P-4) and one Political Affairs Officer (P-3). The Advisory Committee recommended approval of the P-4 positions. However, since the Executive Directorate had a total of five Political Affairs Officers in its Political Analysis and Research Cluster, the Advisory Committee considered

that the additional workload in the area of political affairs should be absorbed by the current staff, and recommended against the establishment of the new position of Political Affairs Officer. The Advisory Committee recommended that the Secretary-General's staffing proposals for 2018 should be approved, subject to the recommendations in paragraphs 13 and 16 of its report, and requested that detailed information regarding the reductions arising from its recommendations should be provided to the General Assembly.

17. **Mr. Yazdani** (Islamic Republic of Iran) said that his delegation attached great importance to special political missions, good offices and other political initiatives authorized by the General Assembly or the Security Council to help build sustainable peace. Missions must be allocated adequate resources to fulfil their mandates, and the level of resources approved by the Assembly must be commensurate with mandated programmes and activities to ensure their smooth and effective implementation. Strict financial discipline must be observed and the efficiency of utilization must be improved.

18. His delegation would seek clarification, in informal consultations, of the operational requirements related to the implementation of Security Council resolution 2231 (2015). The Committee's negotiations must be conducted in an open, inclusive and transparent manner rather than in small groups behind closed doors.

The meeting rose at 11 a.m.



General Assembly

Seventy-second session

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Fifth Committee

Summary record of the 19th meeting

Held at Headquarters, New York, on Monday, 4 December 2017, at 3 p.m.

Chair: Mr. Tommo Monthe (Cameroon)
*Chair of the Advisory Committee on Administrative
and Budgetary Questions:* Mr. Ruiz Massieu

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Agenda item 134: Review of the efficiency of the administrative and financial
functioning of the United Nations (*continued*)

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The meeting was called to order at 3.05 p.m.

Agenda item 134: Review of the efficiency of the administrative and financial functioning of the United Nations (continued)

Shifting the management paradigm in the United Nations (A/72/7/Add.24, A/72/492 and A/72/492/Add.1)

1. **The Secretary-General**, introducing his reports on shifting the management paradigm in the United Nations: ensuring a better future for all (A/72/492) and improving and streamlining the programme planning and budgeting process (A/72/492/Add.1), said that the purpose of reform was to enable the Organization to carry out its work in line with the wishes of Member States and to effectively serve the people who depended on it to help improve their lives at a time of rapidly evolving global challenges. In the report, he outlined reforms in three mutually reinforcing priority areas, namely, reform of the peace and security architecture in order to strengthen the Organization's capacities for prevention and mediation, and to enhance the effectiveness and cost-effectiveness of peacekeeping operations; reform of the development system in order to make it more field-focused, coordinated and accountable in supporting countries' efforts to implement the 2030 Agenda for Sustainable Development; and internal management reform.

2. Through extensive consultations with Member States over the previous months, including at a retreat held in July 2017, he had identified several key challenges, namely, the need to improve the agility and responsiveness of service delivery; address fragmentation in management structures; build trust with Member States and staff; ensure adequate resources for the implementation of mandates; and increase transparency and accountability. The objectives of the new management paradigm were to empower the Organization's leadership to fulfil mandates by aligning responsibility, authority and accountability, clarifying roles and responsibilities, and supporting managers and holding them accountable for results; and to improve transparency, a goal that was in the interests of management and Member States alike, by demonstrating a clear link between resources and programme delivery, while strengthening risk management frameworks. Efforts would also be made to delegate to managers, under clear conditions and on the basis of an assessment of their capacities, the authority necessary to make decisions near the point of delivery; and to reorganize management structures at Headquarters to better support managers and ensure their accountability, including by eliminating

duplicative functions, establishing a clearer division of roles and responsibilities, and ensuring appropriate checks and balances.

3. To achieve the paradigm shift, he proposed simplifying and streamlining the planning and budget cycle and reports by replacing the current biennial budget with an annual budget and shortening the planning and budgetary cycle from five to three years. Programme planning and performance information would be presented alongside financial information to improve the transparency of activities and support strategic decision-making. Planning and budget documents would contain information on lessons learned and would clearly illustrate the link between programme activities and the Charter of the United Nations, the Sustainable Development Goals and legislative mandates. Budget documents would also include quantitative and qualitative assessments of programme managers' performance to ensure that they were held accountable for the effective fulfilment of their mandates and the use of resources. In addition, he requested Member States to grant him the authority, as the Organization's chief administrative officer, to redeploy up to 20 per cent of the resources allocated under a budget section within the corresponding budget part in order to improve interdepartmental cooperation and the Organization's response to changing demands, while ensuring that the resources allocated under each pillar of its work were used for activities within the corresponding thematic area. Such expanded authority would also allow him to respond more effectively to requests by Member States for the Secretariat to undertake additional activities within approved resource levels.

4. In addition, he proposed broadening the scope of the commitment authority for unforeseen and extraordinary expenses to enable the Organization to respond rapidly to unforeseen events in the areas of development and human rights, and sought to increase the transparency and frequency of reporting to Member States, including in monitoring, evaluation, programme and financial performance, and resource use. He also aimed to eliminate duplicative functions by establishing a Department of Management Strategy, Policy and Compliance with a clear policy, strategy and compliance role and a Department of Operational Support focused on operations, services, transactions and surge support for entities in weak environments.

5. The full potential of the Umoja enterprise resource planning system and the global service delivery model would be harnessed in order to consolidate administrative functions such as procurement and payment systems, staff contracting, engineering and

logistics management into two or three centres, and to undertake a strategic assessment of the locations where those functions were carried out. He proposed to streamline and simplify human resources rules, processes and procedures to ensure timely recruitment, deployment and staff development. Gender parity and geographical diversity were critical elements of the proposed reforms. He had achieved gender parity among Professional staff in his Executive Office while substantially increasing geographical diversity, an accomplishment that demonstrated the mutually reinforcing nature of those goals and his ability to achieve positive results when granted greater managerial authority.

6. Through the proposed reforms, he aimed to increase accountability to Member States for mandate fulfilment by establishing stronger internal control and quality assurance functions within the new management structure; changing the current system of delegation of authority to enhance managers' capacity to deliver results and hold them accountable for their performance; ensuring a separation between the responsibilities of the Department of Operational Support and the Department of Management Strategy, Policy and Compliance in order to better support military and police contingents and process reimbursement payments to troop-contributing countries more expeditiously; introducing 360-degree performance evaluations for, and strengthening his compacts with, senior management; improving the self-evaluation capacity of the Secretariat; and enhancing the strategic nature of budget documents. He also aimed to build trust and increase transparency in reporting by reflecting procurement and expenditure information on dashboards accessible to Member States throughout the year; improving self-evaluation of programmes and reflecting information related to self-evaluation in annual budgets and online; submitting programme performance and budget information to the Committee on an annual rather than a biennial basis; and reflecting resource redeployments on dashboards throughout the year and in annual financial reports at the end of the budget period.

7. A change management team, working under the leadership of the Under-Secretaries-General for Management and Field Support and the oversight of the Chef de Cabinet, was preparing a comprehensive, costed proposal for the new management structure for the Committee's consideration at the second part of the resumed seventy-second session in May 2018. He would closely monitor progress towards completion and ensure proper planning and implementation. The success of the paradigm shift would depend on the fulfilment of reciprocal commitments between the Secretariat and

senior managers, on the one hand, and between the Secretariat and Member States, on the other. In that regard, he called on senior managers to strengthen their commitment to fulfilling mandates and deploying resources effectively; in return, he pledged to grant them full authority to implement their mandates in a transparent and accountable manner. He also sought Member States' trust in affording him the flexibility to take decisions that would enhance mandate implementation; in return, he pledged that the Secretariat would be transparent and accountable in its stewardship of the Organization's resources, and in fulfilling mandates and achieving benchmarks.

8. As reforming the management system was in the interests of leadership and Member States alike, he sought the Committee's support for the proof of concept set out in his main report (A/72/492) and would present concrete proposals on the elements contained therein for its consideration at the second part of the resumed seventy-second session and the main part of the seventy-third session. He also sought the Committee's support for his proposals to strengthen the planning and budgetary process, including by increasing the level of the Working Capital Fund, as set out in the addendum to the report (A/72/492/Add.1).

9. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/72/7/Add.24), said that the Advisory Committee welcomed the Secretary-General's reform plans and proposals, many of which were interdependent and interrelated. He noted with appreciation that the Secretary-General's main report (A/72/492) contained an overview of all those plans and proposals, and welcomed his emphasis on streamlining procedures and processes and improving effectiveness, accountability, transparency and oversight.

10. The Advisory Committee's recommendations on the reforms related to elements that would be discussed further in the forthcoming comprehensive proposals or that, in its view, required further analysis or clarification. The Advisory Committee recommended that any measures envisaged as part of the proposal to refocus on the implementation of the information and communications technology (ICT) strategy should continue to address the excessive fragmentation of the ICT environment. With regard to the proposed integration of procurement into supply chain management, it recommended that further clarification should be provided on the safeguards that would be put in place to ensure protection of the procurement function from undue influence and to guarantee proper segregation of duties between the requisitioning,

reception, procurement, delivery, inventory and contract management functions. The Advisory Committee also pointed out the need to carry out a comprehensive analysis and assessment of the risks, benefits and costs arising from the separation of strategic, policymaking and compliance functions from operational functions under the two departments that had been proposed to replace the Department of Management and the Department of Field Support, taking into account the specificities and the nature of the activities of each office. In addition, it requested the Secretary-General to clarify how the accountability framework would be adapted to reflect the envisaged changes to the system of delegation of authority.

11. With regard to the changes to the planning and budgeting process set out in the addendum to the Secretary-General's report (A/72/492/Add.1), the Advisory Committee expected that the proposed replacement of the biennial budget with an annual budget would improve budgetary precision and reduce the lag between planning and implementation. It supported streamlining the planning and budgeting process, including through the proposed elimination of the budget outline, and encouraged efforts to improve the clarity and presentation of budget documents. With regard to the proposed budget review process, the Advisory Committee noted that the proposed presentational changes to the strategic framework were outside its purview. It considered the proposed modifications to the content of budget documents to be a shift in the application of the results-based budgeting methodology and recommended maintaining the level of detail currently reflected in the reports. Any proposals to alter the documents proposed for the annual budget cycle, if approved, should be submitted to the General Assembly for its consideration.

12. Noting the Secretary-General's proposals to establish new or expanded authorities for the commitment or redeployment of funds within budget cycles in order to address unanticipated programmatic demands, the Advisory Committee pointed out that, if approved, the annual budget cycle would reduce the level of budgetary uncertainty. It therefore recommended that the different mechanisms and levels of discretionary managerial authority that might be required to address such needs should be assessed prior to the commencement of the first annual budget period.

13. The Advisory Committee was not convinced by the technical justifications provided for the establishment of the two new authorities requested by the Secretary-General starting in 2018–2019, namely, the authority to redeploy resources between sections in the same budget part and to transfer post-related

financial resources to non-post items within a section. However, it recognized that that issue was a broader policy matter to be decided by the General Assembly. The Advisory Committee supported the proposed increase to \$20 million in the authority granted to the Secretary-General to enter into commitments, with the Advisory Committee's concurrence, to cover unforeseen and extraordinary expenses related to the maintenance of peace and security, as well as the proposed establishment of a commitment authority of \$1 million to address the immediate impact of natural or man-made disasters on United Nations operations. However, the Advisory Committee did not support the proposed expansion of the existing provision for unforeseen and extraordinary expenses to cover development- and human rights-related activities, advocating instead for more extensive use of the existing experimental mechanism for exercising limited budgetary discretion. In order to facilitate the use of that mechanism, the Advisory Committee recommended that the General Assembly should lift the requirement to identify savings within the authorized appropriation level to cover the costs of the funded activities.

14. **Mr. Morejón Pazmiño** (Ecuador), speaking on behalf of the Group of 77 and China, welcomed the Secretary-General's intention to strengthen the Organization's ability to implement its mandates, particularly in the field, and commended his commitment to open and transparent consultation with the General Assembly on his interlinked reform initiatives, as well as his reaffirmation of the intergovernmental processes enshrined in the Charter and relevant General Assembly resolutions. The Secretary-General's reform proposals would be critical to building the effective and efficient Organization needed to achieve a more just and equitable world order, and would only be successful with the active participation of, and ownership by, all Member States and the Secretariat.

15. Management reform must be grounded in the Organization's intergovernmental, multilateral and international character. In that regard, the Group emphasized the oversight roles of the Fifth Committee, the Committee for Programme and Coordination and the Advisory Committee, and their critical involvement in planning, programming, budgeting, monitoring and evaluation processes, as well as in ensuring the Secretariat's accountability to Member States for programme implementation. He acknowledged the Secretary-General's consultation with the Board of Auditors, the Office of Internal Oversight Services (OIOS) and the Advisory Committee on his reform agenda. Adequate attention should be paid to

guaranteeing appropriate risk management, monitoring and evaluation of the impact of the proposed reforms, given their scale, and to ensuring that mandate implementation was not undermined during the transition to the new management paradigm.

16. The Group welcomed the emphasis on the 2030 Agenda reflected in the reform proposals, particularly given the importance of eradicating poverty and inequality for achieving sustainable development and the critical role of the Organization in advancing the implementation of that Agenda and the Addis Ababa Action Agenda of the Third International Conference on Financing for Development. The reforms must facilitate the mainstreaming of the Sustainable Development Goals at the global, regional and national levels, and must be supported by the resources necessary to enable development institutions such as the Department of Economic and Social Affairs, the regional commissions, and the United Nations Conference on Trade and Development to implement the Goals in line with the national circumstances, capacities and levels of development in developing countries, in particular African countries, least developed countries, landlocked developing countries, small island developing States, and countries in conflict and post-conflict situations. Previous reform initiatives that had been based on hollow promises of liberating resources for development through cost savings and staff reductions needed to be replaced by genuine efforts to strengthen development mandates.

17. Proposed changes to the system of delegation of authority and to reporting lines must be matched by effective proposals for increasing transparency and accountability to Member States. He welcomed the Secretary-General's commitment to preparing more precise and accurate budgets, noting that budget documents were vital in enabling Member States to assess the plans, proposals, strategic focus, processes and achievements of the Secretariat and in facilitating oversight.

18. The Group underscored the importance of ensuring equitable geographical representation and gender parity, in particular at the senior leadership level, and encouraged the Secretary-General to continue his efforts in that regard. Developing countries and countries in transition must also be afforded fair access to procurement opportunities, as highlighted in multiple General Assembly resolutions. The Group was encouraged by the initial efforts made to reform internal coordination and collaboration in the Secretariat and the United Nations system as a whole, emphasizing that organizational change must be effected not only by restructuring departments but also by empowering staff

to fulfil their mandates without being hindered by administrative obstacles.

19. **Ms. Pobee** (Ghana), speaking on behalf of the Group of African States, welcomed the inclusive, consultative approach that the Secretary-General had taken in developing his proposals and underscored the need for ownership and conviction by Member States in the efforts to reform the business culture and practices of management and staff. She was also encouraged by the Secretary-General's and Deputy Secretary-General's commitment to deeper and broader consultation with the Group on matters relating to cooperation between the African Union and the United Nations.

20. The Group agreed with the Secretary-General on the need to address the trust deficit between Member States and the Secretariat and between management and staff by enhancing transparency, accountability and oversight mechanisms. In line with its commitment to a United Nations that was fit for purpose and improved people's lives, the Group would consider all proposed reforms with a view to ensuring that they supported mandate implementation and were based on sound management principles, and were not merely aimed at achieving cost savings and staff reductions. In particular, proposals to streamline departments, procedures and processes, reduce duplication and modify reporting lines must improve the Organization's responsiveness and effectiveness, while ensuring strong accountability, transparency and oversight by Member States. In addition, efforts must be made to improve synergies between — and maximize the benefits yielded by — management reform and reforms in the areas of the peace and security and development, which were closely interlinked.

21. She called on the Secretary-General to draw on best practices identified from the evaluation of the impact of previous reforms and to focus on risk management in his refined proposals, bearing in mind that reform was a dynamic process. The Secretary-General must also strengthen and monitor the Organization's ability to implement the recommendations of independent panels and oversight and review bodies, including the Advisory Committee, the Board of Auditors, OIOS and the Joint Inspection Unit. Programme plans and proposed programme budgets should, moreover, enable Member States and intergovernmental bodies to understand, monitor and shape mandate implementation.

22. The Group noted with appreciation that the implementation of the 2030 Agenda and the Addis Ababa Action Agenda had been mainstreamed in the

Secretary-General's proposals, and particularly welcomed the Secretary-General's commitment to eradicating poverty. It also looked forward to reviewing programme plans and budgetary proposals that supported the balanced implementation of all the Sustainable Development Goals and targets, as well as fulfilment of the aims set out in the Charter and intergovernmentally agreed mandates.

23. The Group would examine the management reform proposals to determine how they contributed to the development of Africa, one of the priority areas outlined in the proposed programme budget, paying special attention to ensuring that the reforms to the system of delegation of authority, programme plans and budgetary proposals, and the structure of the Organization were conducive to cooperation between the African Union and the United Nations and fulfilment of the priorities set out in the African Union Agenda 2063. The Group also looked forward to learning how the reforms would contribute to strengthening the Office of the Special Adviser on Africa, the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, the Economic Commission for Africa and the United Nations Office to the African Union. In that regard, it encouraged the Secretary-General to fill the vacant post of Special Adviser on Africa as a matter of priority. Sustaining peace in Africa required not only changes to organizational structures and mindsets but also sustainable and predictable financing for all United Nations mechanisms that contributed to maintaining peace. Special political missions should therefore be financed using the same criteria, methodologies and mechanisms used to finance peacekeeping operations.

24. The Group welcomed the Secretary-General's gender parity strategy and forthcoming strategy on geographical distribution, emphasizing that the goal of equitable geographical representation did not represent a dilution of the merit principle and should be pursued by all United Nations bodies, including the Security Council and the Advisory Committee on Administrative and Budgetary Questions. Human resources management should also be reformed to ensure equal and non-discriminatory access to job opportunities at Headquarters and in the field. The achievement of gender parity and greater geographical diversity at all levels in the Secretariat was long overdue and would improve the Organization's ability to comprehend and respond to the complex environments in which it operated. In that regard, the Group did not understand why certain departments that focused primarily on

issues relating to Africa were dominated by staff from other regions.

25. The Group would examine the Secretary-General's technical proposals and the related recommendations of the Advisory Committee and would continue to engage in deliberations on proposals relating to, inter alia, programme planning, delegation of authority, accountability, evaluation, oversight, human resources management, procurement and ICT. It would also work to strengthen the intergovernmental, multilateral and international character of the Organization, with a particular emphasis on the oversight role of the Fifth Committee and the consideration of programme plans and budgets by the Committee for Programme and Coordination and the Advisory Committee.

26. **Mr. Gafoor** (Singapore), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that the buy-in and trust of Member States were critical to the success of any reform effort and it was to be hoped that the Secretary-General would maintain his transparent, consultative approach. He welcomed the steps that the Secretary-General had taken to identify processes that could be simplified and realistic goals that could yield early dividends in order to enhance the Organization's fitness for purpose and ability to fulfil its mandates.

27. Welcoming the Secretary-General's focus on delivery and results, ASEAN would explore how his management reform proposals could contribute to achieving desired outcomes, particularly with regard to the effective and efficient delivery of results on the ground, and would collaborate with the Secretary-General in identifying solutions to the challenges set out in his reports (A/72/492 and A/72/492/Add.1). Any changes to the presentation of budgetary information should enhance, rather than undermine, transparency and accountability, and should enable Member States to effectively analyse the Secretariat's performance.

28. Reform should be carefully managed and should not adversely affect mandate fulfilment, to which end adequate risk mitigation measures should be established. To ensure the adaptability of the proposed reforms, a road map setting out clear objectives, safeguards, benchmarks and indicators of achievement for each phase of implementation should be developed. ASEAN looked forward to examining the Secretary-General's forthcoming detailed proposals.

29. **Ms. Wilson** (Australia), speaking also on behalf of Canada and New Zealand, said that reform was in the interests of all Member States and would improve the Organization's ability to achieve the Sustainable

Development Goals and maintain peace and security. The three delegations supported the Secretary-General's proposals for concrete organizational reforms that would result in a more effective, accountable, transparent and efficient United Nations. To that end, Member States must take action on the proposals in a timely manner, given their real implications for United Nations operations.

30. During their consideration of the proposals, the three delegations would limit their focus to those elements that needed to be decided by year end and reserve judgment on the remaining points, including the related comments of the Advisory Committee, until they had received the comprehensive report of the Secretary-General. They encouraged other delegations to do the same and welcomed the early establishment of a deadline for the issuance of the comprehensive report. They agreed with the Secretary-General's emphasis on improving the budget process, delivering results and eliminating overlap and duplication in the functions of the Department of Management and the Department of Field Support, and would examine the proposed improvements to the management architecture in the light of the Advisory Committee's recommendations. Noting that the Advisory Committee had determined that the issue of the level of flexibility granted to the Secretary-General in managing resources fell within the remit of the General Assembly, she asked how the Secretary-General's proposals in that regard would help the people who were served by the Organization.

31. **Mr. Vale de Almeida** (Observer for the European Union), speaking also on behalf of Albania, Montenegro, Serbia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process country Bosnia and Herzegovina; and, in addition, Armenia, Georgia, the Republic of Moldova and Ukraine, said that he agreed with the Secretary-General on the need to make United Nations management systems more flexible in responding to evolving global challenges, particularly in the light of the 2030 Agenda, in order to ensure the relevance and added value of the Organization. The Secretary-General's reform proposals had the potential to effect the necessary shift in the Organization's culture, strategy, structures and operations to improve the effectiveness, unity and coherence of the United Nations system.

32. He commended the Secretary-General on the steps that he had taken to improve the Organization's management and expected that the reforms within his purview would be implemented without delay. The proposed reforms must advance the mutually reinforcing aims of improving programme delivery by

strengthening support structures, decentralizing decision-making and transforming managerial and organizational culture; increasing the authority and accountability of managers; and improving performance through more flexible and effective human resources management, while guaranteeing gender parity within the Secretariat. In addition, planning and budgeting processes must be made more transparent and agile to ensure optimal allocation of resources for mandate fulfilment and meet priority demands, and must give Member States confidence that resources were being spent effectively.

33. He would like to know how the proposal to merge the functions of existing support departments through the establishment of new entities would affect programme delivery and improve the responsiveness and agility of the United Nations. He also asked how the Secretary-General's requests for greater flexibility in managing budgetary resources would improve the Organization's responsiveness. In addition, he would like to know how the Committee could agree to grant the Secretary-General such flexibility when improvements to the accountability framework were needed, and how the Secretary-General intended to strengthen that framework.

34. Management reform was closely interlinked with reform under the peace and security and development pillars, as well as with work in the areas of humanitarian action and human rights. He commended the Secretary-General's inclusive and transparent approach and urged the Committee to take decisive action on the reform proposals in a spirit of compromise and consensus.

35. **Mr. Zehnder** (Switzerland), speaking also on behalf of Liechtenstein, said that, although the objectives set out in the Charter were more important than ever, there was broad consensus that the structures, culture, processes and rules of the Organization, as well as the way in which Member States engaged with it, were preventing it from effectively fulfilling its mandates. The two delegations fully endorsed the proposed management reforms, emphasizing that the Secretary-General and United Nations staff should be guided by results and should be afforded greater flexibility, while remaining committed to transparency and accountability.

36. Under the new management paradigm, managers and staff should be empowered to perform their functions and should be held accountable for their performance through results-based management. To that end, a comprehensive reform of human resources management and the development of an effective performance management framework were essential.

The Secretary-General should also be empowered in his role as chief administrative officer and should be given the flexibility to lead the Organization in an effective and efficient manner without having to consult Member States on every detail, while ensuring full accountability and transparency. In addition, Member States must change the way that they engaged with the Organization by developing greater trust in its leadership, fostered by transparency and accountability, and by reducing their tendency to micromanage. The Secretary-General's reforms presented a critical opportunity to achieve better results under the three pillars of the Organization.

37. **Mr. Sandoval Mendiola** (Mexico) said that the Fifth Committee was a critical forum for advancing the change needed to address long-standing weaknesses in the Organization's management. The Secretary-General's proposals represented a meaningful first step in that regard. His delegation attached particular importance to reforming the existing Secretariat structure and rules relating to the management of financial, human and material resources, with a focus on transparency and accountability; ensuring the timely recruitment, deployment and development of qualified staff to enable them to respond effectively to emergency situations on the ground; enhancing coordination and emphasizing concrete results, while reducing the focus on procedures and regulations; and reforming the planning and budgetary cycles in order to reduce the number of reports issued.

38. The Committee must overcome inertia and distrust by taking a pragmatic approach to its deliberations at the current session in order to lend substance to the international community's enthusiastic response to the Secretary-General's comprehensive reform proposals. Those proposals would allow the Organization to respond more effectively to challenges under its three pillars and would increase transparency in order to address the chronic trust deficit between Member States and the Secretariat. His delegation would seek additional information on the practical implications of increased delegation of authority, as well as on the issue of ex post facto accountability. He proposed that the General Assembly should formally request, for the Committee's consideration in 2018, a report containing additional information on the main aspects of the reform initiatives, including on implementation strategies and time frames, as well as expected outcomes and methods of quantification, evaluation and review. The Secretary-General should maintain timely, clear and transparent communication with Member States during the preparation of that report.

39. **Mr. Kadiri** (Morocco) said that the proposed management model, established on the basis of sound

management rules and principles, would make the Organization more nimble, transparent, accountable and decentralized to better support its normative and operational activities. The proposal and implementation of management reforms were in line with the commitments the Secretary-General had made prior to his appointment and fell within his sphere of competence as chief administrative officer of the Organization under Article 97 of the Charter. His delegation highlighted the clear timetable proposed for implementation; the importance of ensuring the shared responsibility of the Secretary-General and Member States for the success of the reforms and of clearly defining the areas of responsibility of all parties concerned; and the need for Member States to take ownership of the reforms. For its part, Morocco had signed the political declaration in support of the Secretary-General's reforms presented by the United States at the high-level event on United Nations reform held during the high-level segment of the General Assembly's current session.

40. He welcomed the Secretary-General's initiatives to address weaknesses in, inter alia, service delivery, management structures and culture, and management of resources for mandate implementation. In particular, shortening both the budget period and the length of the planning and budget cycle would guarantee the adoption of more specific and credible budgets and would allow greater certainty for Member States in terms of their financial obligations. Moreover, a shorter period between the planning stage and the implementation of the budget would reduce uncertainty, improve budgetary precision, allow for greater responsiveness to changes between budget periods and reduce the time lag between programme plans and their implementation.

41. **Mr. Ilichev** (Russian Federation) said that his delegation agreed with most of the conclusions and recommendations contained in the Advisory Committee's report (A/72/7/Add.24), in particular its views on the Organization's management culture and internal oversight system, and urged the Fifth Committee to consider the Secretary-General's reform proposals in the light of those recommendations. Each of the proposals must be subjected to a thorough cost-benefit analysis before the presentation of the forthcoming comprehensive report. His delegation objected to the replacement of the biennial budget with an annual budget, given that the Secretary-General had not presented a clear assessment of the comparative advantages of the shorter budget period. The structure, level of detail and quality of budgetary information must not be undermined. He agreed with the Advisory Committee that the commitment authority for

unforeseen and extraordinary expenses should be maintained at its current level and that the Secretary-General should provide additional information regarding his plans to integrate the procurement function into supply chain management. The management reform proposals could be implemented only following broad intergovernmental consultations and with the approval of the General Assembly.

42. **Ms. Domínguez** (Chile) said that the reform process initiated by the Secretary-General would contribute to a more effective, legitimate and representative multilateral system. She agreed with the Secretary-General on the need to address the issue of fragmentation by reforming the structure and functioning of the Organization. She also welcomed the recognition by the General Assembly, the Fifth Committee, the Committee for Programme and Coordination, and the Advisory Committee of the interests of Member States in the management, administration and accountability of the Organization.

43. Transparent and inclusive intergovernmental negotiations on the proposed reforms under all three priority areas identified by the Secretary-General were essential in order to prevent any exacerbation of fragmentation and ensure the legitimacy of the reforms. Those negotiations must also be cohesive and complementary in order to create mutually reinforcing synergies between the interlinked reform initiatives.

44. **Ms. Sison** (United States of America) said that her delegation supported the Secretary-General's efforts to find ways to improve the work of the entire United Nations system in the three priority areas identified and to make its operations more focused, efficient and effective. In order to maintain the trust of people worldwide and ensure the continued relevance of the United Nations, greater attention should be given to delivering results in the field; enhancing accountability and oversight while ensuring that the Secretary-General was equipped with the necessary tools for effective management; and strengthening the management framework, structures and procedures to support more dynamic action under the Organization's three pillars.

45. Her delegation fully supported the reform principles outlined by the Secretary-General, while underscoring the need to realize the full benefits of initiatives designed to streamline business processes and provide the information required to make the Organization leaner and more effective. She hoped that the broad, cross-regional support garnered by the political declaration presented at the recent high-level event on United Nations reform hosted by her Government, which had been signed by 133 Member

States, would be translated into timely action in support of the Secretary-General's proposals. She looked forward to the General Assembly's endorsement of the preliminary vision set out in the Secretary-General's reports (A/72/492 and A/72/492/Add.1) and welcomed the opportunity to consider his detailed proposals in 2018. Given the Secretary-General's goal of making the programme budget a strategic tool that guaranteed accountability for results, she asked how he would use the budgetary authorities that he had requested to make strategic resource management decisions. She would also like to learn more about his efforts to develop a reform-oriented senior leadership team responsible for change management, and to elicit buy-in from staff.

46. **Ms. Rodríguez Abascal** (Cuba) said that the process of reforming the United Nations had begun when the Organization had been established. The reform must strengthen the Organization's capacity and effectiveness with a view to respecting the purposes and principles of the Charter, implementing mandates and meeting the needs of Member States, regardless of their contribution to the budget, and must not be viewed as an exercise in making budgetary savings. The Organization's political and intergovernmental nature must not be forgotten. Her delegation recognized the Secretary-General's efforts to hold transparent and inclusive consultations with Member States. It was the duty of the General Assembly, through the Fifth Committee, the Committee for Programme and Coordination and the Advisory Committee, to oversee programming, planning and budgeting, which were essential to the Organization's activities. The proposed reforms in the peace and security and development pillars were closely related to management, and should be analysed and implemented in an interconnected manner in consultation with the Fifth Committee, since they had administrative and budgetary implications.

47. Many of the proposals had been made during previous reform processes, the lessons of which should be studied. The current reform, however, was particularly ambitious in that it called for a radical redesign of planning and budgeting. The planning and budgeting review process set out in General Assembly resolution 41/213 should be fully implemented. The current proposals were presented at a session at which Member States must give their full attention to many substantive matters to ensure the proper functioning of the Organization. Many of the proposals depended on the implementation of Umoja, the ICT strategy and the global service delivery model.

48. Her delegation did not object to simplifying procedures and decentralizing decision-making, provided that planning and accountability were

strengthened and the prerogatives and oversight of Member States were respected. She requested clarification regarding the formulation of the programme plan, beyond the inclusion of the plan in an integrated budget document. She was concerned about the proposed consolidation of programme, budget and implementation information in only two documents, which could result in the loss of detailed information and prevent the Committee from overseeing the functioning of the Organization. Special political missions, although included in a separate section of the proposed programme budget, would continue to account unduly for over 20 per cent of the budget. Her delegation would consider the proposed expansion of the delegation of authority to the Secretary-General as part of the overall reform package, and in particular in relation to the proposed improvements in accountability. The reduction of the Organization's cash reserves in the Working Capital Fund would not be resolved by increasing the level of the Fund, whose stability depended on the payment of all Member State contributions on time and without conditions. The Member States would need more detailed information before they took a decision on the proposals.

49. **Mr. Matjila** (South Africa) said that the inclusive consultations led by the Secretary-General and Deputy Secretary-General should continue as the reforms were implemented. His delegation welcomed the Secretary-General's vision and detailed proposals on the budget, organizational structure and funding mechanisms. The Secretary-General's reports reflected his determination to enhance multilateralism and strengthen the authority of the United Nations. South Africa would work with the Organization to achieve sustainable development, eradicate poverty, combat discrimination, uphold equality and prevent crises by adopting a culture of prevention. His Government welcomed the essential role of the 2030 Agenda in the proposals, which should be further aligned with Agenda 2063 of the African Union.

50. The United Nations must be effective, efficient, transparent, accountable, people-centred, fit for purpose, responsive and able to fulfil its mandates in complex environments. It should reduce waste and duplication, and streamline cumbersome administrative and budgetary procedures. Adequate, predictable and sustainable financial and human resources were essential to timely mandate implementation; his Government supported proposals to simplify programme plans and budgets and would consider the impact those proposals would have on transparency, accountability and oversight by Member States. Reforms that affected reports and the presentation of

information must improve the capacity of intergovernmental processes to ensure proper planning, monitoring, evaluation, strategic planning and resource allocation. The lessons learned from previous reforms and during the implementation of the current reform must be applied. While the reform was being implemented, mandates must continue to be fulfilled and, if the General Assembly approved the reform, his delegation looked forward to receiving a proposal that would ensure a smooth transition. Management reform should not be viewed in isolation from other reform initiatives. The voice of African and developing countries should be strengthened; only by employing staff from such countries could the Organization understand, predict and react to events there and elsewhere. His delegation welcomed the Secretary-General's system-wide strategy on gender parity and looked forward to the strategy on geographical representation.

51. **Mr. Munir** (Pakistan) said that previous complaints about the Organization's effectiveness had been justified, and his delegation commended the Secretary-General on conducting a consultative process, listening to Member States' concerns and seeking to make the United Nations more nimble and accountable. Many previous reform proposals had failed, for various reasons. The world was changing, and small and medium-sized States, particularly in the South, could now make an impact in the United Nations system through their commitment to the Charter, willingness to implement United Nations resolutions, contribution to peacekeeping, recourse to pacific settlement of disputes, and resilience to terrorism, climate change and the challenges associated with refugees and migrants.

52. The streamlining of processes should not undermine the oversight of the General Assembly, the Advisory Committee and the Committee for Programme and Coordination, which were essential to transparency and accountability. Any review of mandates should be based on cost-benefit analyses of previous changes in the United Nations system. He asked whether a cost-benefit analysis of the establishment of the Department of Field Support had been carried out and what lessons could be learned from it. The reform should protect the interests of Member States, including developing countries. Management reform should be viewed as part of the broader reform initiative, and he requested further information regarding the effects of the proposals on geographical representation, the system of desirable ranges, procurement and troop-contributing countries.

53. **Mr. Mokhtari** (Algeria) said that the success of the proposed reforms would depend on the Secretary-General's continuing commitment to open, transparent

consultation. Management reform must not change the intergovernmental nature of the Organization or the roles of Member States, but should enhance current processes and help States analyse the Secretariat's performance. His delegation supported the Secretary-General's efforts to reform management and strengthen trust to promote efficiency, peace and development. Management reform was essential for a more receptive and responsive Organization. Streamlining the programme planning and budgeting process to ensure that mandates approved by Member States were effectively implemented would support decision-making and strengthen transparency, accountability and a focus on results. His delegation welcomed the Secretary-General's focus on human resources management. The reform should ensure wide, equitable geographical representation and equal opportunities, particularly for African women. Staff selection and recruitment should be reviewed to rejuvenate the Organization and ensure gender balance and geographical diversity.

54. **Mr. Hoshino** (Japan) said that the Secretary-General's commitment to management reform would increase the efficiency of Secretariat management and ensure transparency and accountability to the Member States, while maintaining a balance between flexibility and discipline. The Member States should maintain the momentum of reform by adopting a draft resolution on the Secretary-General's proposals at the current part of the session, establishing a consensus on the basis of which he would make detailed proposals at the second part of the resumed session.

55. **Ms. Martinic** (Argentina) said that her delegation supported the Secretary-General's vision of an agile, pragmatic and decentralized Organization without administrative and managerial silos, antiquated institutional processes and structures, or an unbalanced risk management framework. The Secretary-General's consultations with Member States would help the United Nations meet the challenges of a fast-changing world, and his commitment added value to the work of the Fifth Committee, the Advisory Committee and the Committee for Programme and Coordination. Her delegation welcomed the opportunity to discuss the reform proposals, including those on programme planning and budgeting, which were intended to make the United Nations more efficient and capable of addressing the current unprecedented challenges in peace and security, humanitarian assistance, the protection of human rights and sustainable development.

56. **Mr. Hattrem** (Norway) said that Member States should embrace the Secretary-General's vision for

management reform. The United Nations should be more streamlined and less fragmented; authority, responsibility and expertise should coincide so that the Organization could achieve results and respond effectively. Clearer distinctions should be made between strategic management, policy formulation and control, and operational and logistical support. A new management paradigm was needed for the Secretariat, with many aspects that would need to be explored, developed and tested, and reported on to Member States. The budget process must be simplified, the Secretary-General must have more authority and there must be greater transparency in reporting to Member States. The budget reform would require compliance, accountability and reporting systems. The Secretary-General should make good use of previous reviews and Secretariat expertise, and should start making the changes that were possible within his authority. The shift in management culture must come from within. The Committee should adopt a draft resolution on management reform that would enable the Secretary-General to produce a comprehensive report on the matter by the second part of the resumed session.

57. **Mr. Vieira** (Brazil) said that his delegation welcomed the Secretary-General's efforts to change the management paradigm. Management reform must help the Organization implement its mandates more effectively and efficiently in every pillar of its activities. His delegation welcomed the Secretary-General's commitment to development; the United Nations was uniquely positioned to foster the implementation of the 2030 Agenda and the Addis Ababa Action Agenda, but could not do so without proper institutional arrangements. The Organization must have adequate tools and resources to help eradicate poverty, including extreme poverty. The proposed annual budget could improve budgetary precision, but the current level of detail and information in budget proposals must be maintained.

58. The Secretary-General's commitment to consultation with Member States had resulted in constructive negotiations. Sound processes were essential to achieve better results, and meaningful reform required all Member States to take ownership of the process, in accordance with the Charter, which mentioned that budgetary questions were among the important matters on which the General Assembly must take decisions. The reform must not change the Organization's multilateral and international character, particularly the oversight role of the General Assembly and other intergovernmental and expert bodies. The role of the Committee for Programme and Coordination must be strengthened.

59. Despite the Secretary-General's efforts, equitable geographical representation and gender parity had not been achieved throughout the Organization. Developing countries must have better access to procurement opportunities in the United Nations system. Previously, the Committee had approved profound changes that had served the United Nations well for decades, despite the complexity and high political stakes involved. His delegation was confident that the Committee would again rise to the challenge and reach agreement on the Secretary-General's proposals.

60. **Ms. Krisnamurthi** (Indonesia) said that the United Nations must be reorganized to support Member States' implementation of the 2030 Agenda. Management reform was closely linked with the reforms in the peace and security and development pillars. Her delegation welcomed the Secretary-General's proposals to shift the management paradigm, transform the Organization and address the challenges faced. Budgeting was essential in translating priorities into action and measuring accountability and performance. The streamlining of programme planning and budgeting should result in more effective mandate implementation. The paramount consideration in the employment of staff was securing the highest standards of efficiency, competence and integrity, but gender and geographical representation must also be better balanced. Active contributions by Member States, particularly troop- and police-contributing countries, should be taken into consideration. Since most of the Organization's staff were in the field, they must be responsive and accountable. Changes in organizational structure, which determined the ways in which the staff functioned, must be thoroughly considered and must strengthen the accountability framework, including monitoring, quality assurance and oversight. Management reform was an ongoing process that was open to review, and her delegation would work with the Secretary-General to make the United Nations more responsive and fit for purpose. Discussions of the plans and proposals should be open, transparent and supported by all Member States.

61. **Ms. Seka-Fouah** (Côte d'Ivoire) said that the United Nations was at a turning point, faced with great challenges in performing its mission. A new dynamic, based on past achievements and lessons learned, was needed. Her delegation welcomed the Secretary-General's proposed reforms, intended to modernize the Organization and make it less bureaucratic and more field-focused and open to dialogue with Member States. In September 2017, her delegation, motivated by its trust in the Secretary-General, had signed the declaration of support for United Nations reform

presented by the United States. She welcomed the Secretary-General's proposal that the biennial budget should be replaced from 2020 with an annual one that would align the United Nations budget cycle with that of most Member States and improve planning to help them discharge their financial obligations to the Organization. As a post-crisis country, Côte d'Ivoire would pay particular attention to the proposed strengthening of the Secretary-General's authority to enter into commitments in the event of Security Council decisions that resulted in additional resource requirements to maintain peace and security. The proposed decentralization of decision-making, which would be brought closer to the point of delivery, would help the Organization take into account local concerns. The reforms would open a new chapter in the existence of the United Nations, and the Committee should support their implementation.

62. **Mr. Wu Haitao** (China) said that the Secretary-General's management reform initiative would help the United Nations be nimble and efficient, respond to new situations and play a more active role in peace and development. The reform must respect the Charter and be driven by the Member States. Trust between the Member States and the Secretary-General must be strengthened to help him fulfil his responsibilities. The Secretariat should build its internal capacity and strengthen its accountability to the Member States. As authority was delegated in the Secretariat, it must be aligned with responsibility on the basis of sound planning and arrangements, in a gradual, steady process.

63. Management reform must comply with the established procedures and rules. The Secretary-General should be guided by the principles of openness, transparency and consensus, and address the concerns of all parties. The reform should accommodate developing countries' concerns, increase development resources, reinforce the development pillar and help achieve the Sustainable Development Goals. The underrepresentation of developing countries in the Secretariat must be addressed to increase those countries' participation in United Nations affairs.

64. **Mr. Chang Wook Jin** (Republic of Korea) said that management reform would lay the foundation for the Secretary-General's reforms in peace and security, development and the entire United Nations system. Although management was often taken for granted and collective effort and time were needed to improve it, the effects of the change would be far-reaching and enduring. Member States and United Nations staff, whether in the Secretariat or other United Nations entities, must work together to ensure that management reform was successful. Member States must continue to

support the reforms regardless of their region or group, as they had done in signing the September 2017 declaration of support, so that the Secretary-General could address United Nations issues with an Organization reformed on the basis of his vision. The Secretary-General should propose more constructive and feasible measures based on the advice of the Advisory Committee and the Member States, and should engage proactively with staff so that they took ownership of the reforms.

65. He requested further information regarding the ways in which the Secretary-General planned to address the concerns of the Advisory Committee and Member States about maintaining a balance between accountability and increased authority if the Secretary-General's flexibility in redeploying financial resources was enhanced as proposed.

66. **Mr. Plasai** (Thailand) said that the reform processes must be coherent, complementary and properly aligned so that the United Nations could fulfil its mandates under the Charter. A more efficient, transparent and nimble Organization would strengthen multilateralism and have a greater impact on the ground. The reforms should be inclusive and driven by the Member States. His delegation welcomed the Secretary-General's emphasis on transparency and accountability and would seek further information regarding the ways in which technology could improve the checks and balances ensured by Member States and other oversight mechanisms. Fragmentation must be addressed and authority must be aligned with responsibility across management structures. Since the headquarters of the Economic and Social Commission for Asia and the Pacific and other United Nations entities were in Thailand, his delegation looked forward to learning about the ways in which management authority would be decentralized and decision-making brought closer to the point of delivery. The scope of delegated authority and reporting lines must be clear, and engagement with host countries must be increased to ensure that mandates were fulfilled.

67. The Secretary-General had taken the first steps towards gender equality and balanced geographical representation, particularly at senior levels, through the staffing of his Executive Office. His delegation welcomed the proposal that the planning and budgeting process should be simplified and resources better aligned with emerging priorities and programmatic demands. His delegation looked forward to receiving further details of the proposals, including the proposed shift to an annual budget. It would consider the implications for Member State contributions and for the workload of the Committee and other oversight bodies.

The Organization needed to be agile, efficient and results-oriented, but transparency, accountability and risk mitigation must not be compromised. Management reform must strengthen the Organization's core competency and its central role in global governance and the promotion of the Member States' collective interests, including the implementation of the 2030 Agenda.

68. **Mr. Morales López** (Colombia) said that his delegation welcomed the Secretary-General's commitment to gender parity and equitable geographical representation. The Member States and the Secretariat must ensure that the principles of efficiency, accountability, transparency and performance guided the Organization in its use of human and financial resources. The proposed change from a biennial to an annual budget would result in an integrated budget, shorten the planning and budgeting cycle and align the budget period with the reporting period of the financial statements. To meet global challenges, the Secretary-General should be given discretionary authority to redeploy resources between budget sections to address evolving needs or cover potential shortfalls that could hinder the implementation of mandates within a given budget period. The Committee should analyse the Secretary-General's proposals with a view to helping the United Nations adapt to global developments. Only with the necessary management tools could the Organization meet the challenges of an unpredictable international environment. Management reform, which was a cross-cutting element of the Secretary-General's reform proposals, would not only enhance the planning and budgeting process but also contribute to continuous improvement and mandate implementation.

69. **Ms. Bourhil** (Tunisia) said that an effective, results-based management system would allow the United Nations to fulfil its mandates through a culture of performance. Her delegation agreed with the assessment of the Secretary-General's internal review team regarding the challenges that prevented the Secretariat from realizing the aims set out in the Charter. The Sustainable Development Goals were a priority of the United Nations, and progress in their achievement would be one parameter in evaluating the success of the proposed reform. The Secretary-General had set out three main reform proposals: streamline and improve the planning and budgeting processes; give greater authority and accountability to programme managers; and reconfigure management and support structures to improve delivery of programmes. Those measures would be enabled by reform of the management architecture. Since the reform was broad in scope and would be decisive for the future of the Organization, the

detailed information to be provided by the Secretary-General in his comprehensive report would be important to its implementation. Her delegation supported the concept of a new leadership model to remedy the shortcomings of the current management culture.

70. **The Secretary-General** said that he was committed to a fully consultative process to ensure that the reform was driven by the Member States and respected the intergovernmental nature of the United Nations, the General Assembly, the Fifth Committee, the Advisory Committee and the Committee for Programme and Coordination. Trust must be built between the Secretariat and the Member States and between Secretariat management and staff. He was as committed to engaging with staff, including senior staff, as with the Member States. The reform was intended not to reduce the size of the staff or cut costs but to improve results on the ground while fully respecting mandates. That would require transparency, accountability and oversight by the Member States.

71. In his Executive Office, where he had been free to make staffing decisions, he had achieved equitable geographical representation and gender parity. He understood Member States' concerns about the need for risk mitigation and a road map that would allow them to follow the implementation of the reforms. The reforms were intended to give the Organization the capacity to support Member States' implementation of Agenda 2030, of which poverty eradication was a central objective. The Secretariat recognized developing countries' concerns about the regional diversity of staff and the Organization's objectives. The new budgeting and planning process would enhance the information provided to Member States and establish conditions in which the Committee for Programme and Coordination and the Advisory Committee could better fulfil their mandates. The Secretariat would respect the connections among the three areas of the reform, and the Member States would play an essential role in that regard. No cost-benefit analysis had been conducted when the Department of Field Support had been established, but the Secretariat had based its proposed changes to that Department and the Department of Management on its analysis of that experience.

72. The Advisory Committee, whose report would inform the Committee's discussion of the reform, agreed with his proposal that the biennial budget should be replaced with an annual one. The annual budget would result in more accurate resource estimates, more realistic programme plans based on more recent performance assessments, and the planning of resource requirements closer to the point of implementation. Because the programme plan for the biennium 2018–

2019 had been adopted in 2016 on the basis of the programme performance information for the biennium 2014–2015, some of the information on which the plan for 2019 was based would be five years old by the time the plan was implemented. Under an annual budget system, however, the 2018 budget would have been based on plans and resource requirements adopted in 2017 on the basis of the 2016 programme performance assessment, a time difference of only two years.

73. An annual cycle would allow programme managers to adjust their resource requirements more often and to better respond to new mandates, changing demands and lessons learned from programme delivery. It would also improve accountability, because those managers would need to show the activities they were planning, the resources they would require and the performance of their programmes in the previous period. The inclusion of qualitative evaluation, self-evaluation and programme performance information in the budget document would help Member States understand performance. In addition to current legislative mandates, those responsible for programmes and subprogrammes would be required to indicate how their activities would support the implementation of the Sustainable Development Goals. Development would be essential to the budget document and the work of departments. Member States would be able to track the contribution of programmes to the development agenda.

74. The proposed organizational changes would enhance transparency and accountability so that the Secretariat could make use of the increased management authority under the reform. Proposals for the redeployment of budgetary resources would not change mandates, the agreed focus of programmes or the Organization's priorities, but would improve mandate implementation in response to changing programmatic needs. The need for such redeployment would decrease but remain significant under an annual budget, and the increased management authority would allow him to improve coordination between departments in support of the Organization's goals. Without the capacity for redeployment, the Secretariat could not undertake activities within existing resources, as requested by the General Assembly in recent resolutions. The expansion of the commitment authority for unforeseen and extraordinary expenditures would allow the Secretariat to respond within 24 hours to unexpected events, for example by providing policy support to countries affected by natural disasters.

75. In the Addis Ababa Action Agenda, the Member States had encouraged the Secretary-General to establish an inter-agency task force, including the major institutional stakeholders and the United Nations

system, including funds and programmes and specialized agencies whose mandates were related to the follow-up, building on the experience of the Millennium Development Goals Gap Task Force. The inter-agency task force would report annually on progress in implementing the financing for development outcomes and the means of implementation of the post-2015 development agenda and advise the intergovernmental follow-up thereto on progress, implementation gaps and recommendations for corrective action, while taking into consideration the national and regional dimensions. Such encouragement had not been considered a strong enough mandate to justify a specific request for additional resources, but increased management authority would allow the Department of Economic and Social Affairs to support the task force through the redeployment of resources.

76. In the SIDS Accelerated Modalities of Action (SAMOA) Pathway, the Member States had requested that the Secretary-General should ensure that the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, pursuant to its advocacy mandate, should ensure the mainstreaming of the Samoa Pathway and issues related to small island developing States in the work of the United Nations system; enhance the coherence of the issues of those States in United Nations processes, including at the national, regional and global levels; and continue to mobilize international support and resources to support the implementation of the Samoa Pathway by small island developing States. Because the Office had only two staff members, however, the Secretariat could not meet the request without the ability to redeploy resources.

77. In June 2017, the Secretary-General of the Economic Community of Central African States had requested the Economic Commission for Africa Subregional Office for Central Africa to support the formulation of a subregional industrial plan and the organization of a high-level industrial conference on industrial development in Central Africa. Subsequently, the Governments of Chad and Equatorial Guinea had requested the Office to help them formulate national industrial policies. A lack of budget resources for the recruitment of consultants to conduct the diagnostic studies required had forced the Office to request extrabudgetary resources, which had not yet been identified, although the conduct of the studies fell under subprogramme 7 of the programme of work of the Commission. Additional discretion to redeploy resources between budget sections would have allowed the Office to meet the requests.

78. To eliminate duplication, unify Secretariat service provision, strengthen the focus on the field and ensure that delegated authority was ethically discharged, his proposals included the establishment of a support department and a strategic management department that would constantly improve the management of the Secretariat. The current structure, in which the Department of Field Support provided services to the peace architecture while the Department of Management supported the rest of the Secretariat, had limited the accountability of programme managers because the delegation of authority was not aligned with responsibility. Under the proposed structure, programme managers would be properly supported in taking decisions and would be accountable for mandate fulfilment.

79. The Organization had a robust accountability framework that comprised external and internal oversight bodies and extensive requirements for reporting to Member States on its performance. The accountability of senior managers for programme delivery and resource use, however, should be strengthened. The delegation of authority should be simplified and accountability for the use of authority should be clearly defined. The proposed Department of Operational Support would support managers in exercising the authority delegated to them, while the proposed Department of Management Strategy, Policy and Compliance would provide policy support and quality assurance to monitor the use of delegated authority, which he could then withdraw if necessary, and would monitor the implementation of the recommendations of oversight bodies.

80. The annual budget would contribute to the assessment of programme performance and the use of resources to support delivery. A 360-degree performance evaluation mechanism would be introduced for senior managers, to strengthen their compacts. To improve the transparency and frequency of reporting to Member States, the Secretariat would build on Umoja and the implementation of the International Public Sector Accounting Standards. Programme planning and performance information would be presented more clearly in the annual budget document. Information regarding expenditure would be made more accessible to Member States through the application of the standards established by the International Aid Transparency Initiative and through the publication in the Registry of the Initiative, by mid-2018, of a limited set of data and, in due course, of all the Organization's financial and procurement information. Information regarding expenditure and programme delivery and performance would be made

available on dashboards in Umoja, and the results of self-evaluations would be provided to Member States.

The meeting rose at 6.15 p.m.

**General Assembly**

Seventy-second session

Official Records

Distr.: General
23 January 2018

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Fifth Committee**Summary record of the 20th meeting**

Held at Headquarters, New York, on Tuesday, 5 December 2017, at 10 a.m.

Chair: Mr. Tommo Monthe (Cameroon)
Vice-Chair of the Advisory Committee on Administrative
and Budgetary Questions: Mr. Sene

ContentsAgenda item 136: Proposed programme budget for the biennium 2018–2019 (*continued*)*Administrative expenses of the United Nations Joint Staff Pension Fund**Administrative and financial implications arising from the report of the
United Nations Joint Staff Pension Board**Construction and property management*

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17-21672 (E)



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The meeting was called to order at 10.05 a.m.

Agenda item 136: Proposed programme budget for the biennium 2018–2019 (continued)

Administrative expenses of the United Nations Joint Staff Pension Fund (A/72/5/Add.16, A/72/7/Add.23, A/72/364 and A/72/383)

Administrative and financial implications arising from the report of the United Nations Joint Staff Pension Board (A/C.5/72/2)

1. **Ms. Van Houtte** (Chair of the United Nations Joint Staff Pension Board), introducing the report of the United Nations Joint Staff Pension Board on the administrative expenses of the United Nations Joint Staff Pension Fund (A/72/383), said that the Pension Fund provided pension and other benefit payments totalling \$2.5 billion per year to some 74,000 retirees and beneficiaries in over 190 countries in 15 different currencies. By 2020, the number of retirees and beneficiaries was expected to exceed 85,000. The Pension Fund also had some 128,000 active participants, bringing the total number of clients to over 200,000. The value of the net assets of the Pension Fund had stood at \$62 billion as at October 2017.

2. The Pension Fund met all its own administrative expenses, and in exchange for the Pension Fund providing the services of a Staff Pension Committee of the United Nations (including its funds and programmes), the United Nations reimbursed the Pension Fund for the expenses incurred under a cost-sharing arrangement.

3. The proposed budget was intended to ensure that pension benefits were processed in a timely manner by enhancing the Pension Fund's capacity to address ad hoc demands, such as unforeseen surges in volumes and caseload peaks, through the creation of flexible task forces that added temporary capacity without creating long-term fixed costs. As there were currently too few client services staff to respond to the needs of over 200,000 clients from 23 member organizations, the budget was also intended to improve the Pension Fund's client servicing capacity by strengthening its core functions and improving communications.

4. The Budget Working Group, whose composition was set out in annex I to the report, had met to consider the budget proposals of both the Investment Management Division and the Pension Fund secretariat. The Budget Working Group had observed that over the previous five bienniums the workload of the Pension Fund had grown faster than the increase of Pension Fund secretariat staff, and it supported efforts to strengthen

the Pension Fund's client services and operational systems. The Pension Fund's workload could increase further in the upcoming biennium as a result of downsizing initiatives undertaken by the United Nations and other member organizations. Recently achieved servicing rates would not be maintained if the proposed human and other resources were not approved. After reviewing the report of the Budget Working Group, the Pension Board had approved all of the Group's recommendations.

5. In its resolutions 70/248 and 71/265, the General Assembly had approved appropriations for the biennium 2016–2017 totalling \$180,055,400. Total expenditure for the biennium was now estimated at \$175,165,700, resulting in underexpenditure of \$5,091,100 or 2.8 per cent of the appropriation.

6. The proposed budget for the biennium 2018–2019 amounted to \$194,664,800, comprising administrative costs of \$105,018,900, investment costs of \$85,586,400, audit costs of \$2,929,200 and Pension Board expenses of \$965,600, as well as extrabudgetary resources in the amount of \$164,700 for one post to be funded by member organizations. The overall increase in resources requested amounted to \$14,444,700, or 8 per cent, reflecting increases in administrative costs (\$13,640,500), investment costs (\$777,700) and audit costs (\$26,500). The amount apportioned to the United Nations would be \$22,881,900.

7. For many years, the Pension Fund had operated with minimal resources. As a result of an ageing and more dispersed clientele, new communication methods and a surge in the number of inquiries, the Pension Fund needed to improve its client servicing capacity. To that end, Client Services would be separated from Operations in the New York office and would be headed by a senior manager at the D-1 level.

8. The Pension Fund would continue to seek out innovative and creative service delivery approaches and leverage technology to achieve more with less. It was hoped that the new client services model would help to address the deficiencies identified by the internal and external auditors. In addition, the Pension Fund intended to build on the pilot initiatives tested during the present biennium, such as the task force for new separation cases, the call centre and dedicated hotline for inquiries regarding survivor benefits, the liaison office in Nairobi, the outreach missions to offices away from headquarters, the user-friendly website, which included video tutorials, and the self-service portal.

9. The majority of requests for additional resources were for general temporary assistance, with a view to making the Pension Fund an agile entity and creating a

flexible temporary workforce to address surges in volume, cyclical operational peaks and unforeseen events. That approach had been facilitated by the Pension Fund's successful implementation of the Integrated Pension Administration System, which had secured the operational viability of the Pension Fund. Resources would be required to achieve the full potential of the System by further stabilizing and expanding it.

10. The financial statements of the Pension Fund for the year ended 31 December 2016 were set out in annex V to the report, while the report of the Board of Auditors on the financial statements was contained in annex VI. The Pension Fund had received an unqualified audit opinion on its financial statements. The Pension Board had reviewed and approved the methodology and assumptions for the upcoming actuarial valuation. The Pension Fund was financially and operationally sound, with an actuarial surplus and fully funded status.

11. **Ms. Bartsiotas** (Controller), introducing the report of the Secretary-General on the administrative and financial implications arising from the report of the United Nations Joint Staff Pension Board (A/C.5/72/2), said that the proposed programme budget for the biennium 2018–2019, prepared before the Pension Fund budget had been finalized, provided for resources of \$22.3 million representing the United Nations share in the administrative and audit costs related to the Pension Fund, of which \$14.5 million was attributable to the regular budget and \$7.8 million to the funds and programmes. The Pension Board proposed a budget increase, including an amount of \$22.9 million for the United Nations, of which \$14.6 million was the regular budget share. Should the General Assembly approve the proposals and recommendations of the Pension Board, an additional appropriation of \$51,700 would be required under section 1, Overall policymaking, direction and coordination, of the proposed programme budget for 2018–2019. That amount would represent a charge against the contingency fund.

12. **Mr. Bajaj** (Chair of the Audit Operations Committee of the Board of Auditors), introducing the report of the Board of Auditors on the financial report and audited financial statements of the United Nations Joint Staff Pension Fund for the year ended 31 December 2016 (A/72/5/Add.16), said that the Board of Auditors had issued an unqualified opinion on the financial statements, which confirmed that the statements presented fairly the Pension Fund's financial position as at 31 December 2016 and its financial performance and cash flows for the year then ended, in accordance with the International Public Sector

Accounting Standards and International Accounting Standard 26.

13. As at 31 December 2016, the net assets available for benefits had been \$54.49 billion, an increase of \$2.36 billion. The total income in 2016 had been \$4.94 billion, comprising investment income of \$2.67 billion, against a loss of \$458.26 million in 2015, and contributions of \$2.27 billion. The nominal return had been 5.19 per cent, versus 6.90 per cent for the policy benchmark.

14. The Board had followed up on the 26 outstanding recommendations it had made to the Fund up to the year ended 31 December 2015 and found that only 5 had been fully implemented. The present report contained 20 recommendations. The Board's overall conclusion was that the Pension Fund must strengthen its risk management and control processes and investment strategy to achieve the minimum long-term required return of 3.5 per cent to achieve fully-funded status. It should take steps to improve the performance of its investments and reduce foreign currency losses. There was scope for improvement in processing pension benefits and client services, particularly complaint resolution. In collaboration with member organizations, the Pension Fund should take steps to expedite the receipt of the documents required for calculating and awarding pension benefits. There was also a need to streamline the procedures for obtaining the certificate of entitlement and the reconciliation of contributions received from member organizations.

15. The Board of Auditors had reviewed the actuarial valuation and observed anomalies in the data supplied to the actuaries. The financial statements for 2015 indicated that there were 126,892 participants, but the number in the actuarial report was 114,375. As the actuarial valuation had been based on inconsistent data, it was not reliable. Accordingly, the Pension Fund had decided to roll forward the previous actuarial valuation to the year ended 31 December 2016.

16. In April 2017, the Pension Fund had subclassified the risk budget for fixed income at the currency and duration levels. However, for the equities, the risk budget had been allocated only on the basis of equity portfolio by region, and no suballocation between countries or currencies had been made. No risk budget had been prepared for real assets, alternative investments and cash and cash equivalents.

17. Since 2013, the Pension Fund had suffered a total foreign currency loss of \$4.68 billion. In 2016, the foreign currency losses had been in all asset classes. In previous audits, the Board of Auditors had raised concern over such losses and recommended employing

suitable procedures and tools to mitigate them. The Pension Fund had informed the Board of Auditors that procurement was under way to hire an expert to conduct a formal currency study, which would include a review of foreign currency exposure and related tools.

18. In 2016 the Pension Fund had processed 27 per cent of cases within 15 business days, but 3.24 per cent of cases had taken more than a year to process. As there was no documented client grievance redressal mechanism, there was no guidance on segregation or prioritization, nor was there a timeline for the disposal of queries. In addition, there was no centralized system for registering queries and assigning them a tracking number, nor was there a reporting system to monitor the status of queries.

19. **Mr. Dooley** (Deputy Secretary of the United Nations Joint Staff Pension Board), introducing the report of the Secretary of the United Nations Joint Staff Pension Board on the implementation of the recommendations of the Board of Auditors contained in its report for the year ended 31 December 2016 on the United Nations Joint Staff Pension Fund (A/72/364), said that the report contained information regarding the status of implementation of the Board of Auditors' recommendations and the priority given to each recommendation, and an update on recommendations relating to previous periods that the Board considered not to have been fully implemented.

20. The Pension Fund had accepted all of the recommendations of the Board of Auditors for 2016 and was striving to implement them in a timely manner. The 21 recommendations from the previous three financial periods assessed as not fully implemented by the Board were under implementation. As noted by the Board of Auditors, the outstanding recommendations related to issues that required major structural changes and the participation of external organizations.

21. The target dates for implementation took into account the need to obtain approval for the resources required and implement complex, multi-year projects that would affect various stakeholders. Resources had been requested to strengthen the Pension Fund's ability to process core benefits and provide client services, through the creation of a client services manager, the introduction of a flexible workforce to address caseload peaks and the implementation of a client relationship management system. The resources requested by the Fund in its budget proposal for 2018–2019 would ensure that the progress achieved to date was maintained. Benefit processing times had improved steadily since 2016 and the Fund had implemented new client servicing mechanisms.

22. The Investment Management Division had made progress in addressing the recommendations. The Pension Fund had exceeded its targeted long-term real rate of return of 3.5 per cent as at 30 September 2017. All of the Division's senior-level vacancies had been filled and a succession plan had been implemented. A currency study, including a review of related cash requirements, would be completed by the end of 2017. Risk management had been enhanced. The fixed income strategy had been reviewed, resulting in improved performance. Lastly, a target operating model study had been completed, leading to a new information and communications technology road map.

23. **Mr. Sene** (Vice-Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/72/7/Add.23), said that, while the performance of the Pension Fund had recently improved, it was important for the Fund to meet its target annual real rate of return of 3.5 per cent over the long term. With regard to foreign currency losses, the Advisory Committee encouraged the Pension Fund to finalize the currency study and work closely with the Board of Auditors to mitigate foreign currency exposures.

24. Noting the continued delays in the processing of pension benefits, he recalled that the General Assembly had stressed the need to ensure that the Fund addressed the causes of such delays. With regard to the anomalies in the actuarial valuation for 2016, as reported by the Board of Auditors, the Advisory Committee expected that the Fund would take additional care in the future to provide accurate data for the purposes of future actuarial valuations.

25. With respect to the proposed resources for 2018–2019, including the proposed establishment of nine new posts, the Advisory Committee considered that the focus of the Pension Fund should be on improving its operations. Accordingly, the Advisory Committee recommended against the establishment of a Chief of Services post at the D-1 level, a Senior Public Information Officer post at the P-5 level and a Benefits Officer post at the P-3 level. The Advisory Committee recommended in favour of the establishment of a Benefits Officer post at the P-3 level, funded through general temporary assistance, in the service centre in Nairobi. Regarding the cost-sharing arrangement, the Advisory Committee recommended that the General Assembly should request the Secretary-General to prepare a comprehensive analysis of the services provided by the Pension Fund on behalf of the United Nations and vice versa with a view to putting in place a cost-sharing agreement that better reflected reality.

26. **Ms. Perelra Sotomayor** (Ecuador), speaking on behalf of the Group of 77 and China, said that the Pension Fund's inflation-adjusted real return on investment in 2016 had been 3.1 per cent, below the benchmark of 3.5 per cent. Noting the volatility of capital markets, she stressed the need to make every effort to meet the benchmark and adopt measures to strengthen risk management and control processes. The Group wondered why there was a gap between the returns generated and the benchmark figure.

27. The Group had taken note of the proposed budget of the Fund for the biennium 2018–2019. Managing assets of several billion dollars was a complex task, warranting close attention. The Group urged the Secretary-General, through his representative and investment officers, to exercise fiduciary responsibility over the Pension Fund's assets. Given the high value of the Pension Fund's investment portfolio, the Secretary-General should establish a comprehensive anti-fraud policy.

28. The Group noted the findings of the Board of Auditors, in particular relating to non-disclosure of different exchange rates applied to currency balances, risks in foreign exchange transactions and exchange losses, rate of return on investments, long-term information technology strategies and the implementation of the Integrated Pension Administration System. The Group noted that the System required excessive manual intervention and urged the Pension Fund to automate it.

29. The Group welcomed the Pension Fund's intention to use flexible resources to address workload peaks and deliver special projects, and thereby avoid incurring long-term fixed costs. Innovation would enable the Pension Fund to maintain and improve the processing times achieved in the previous biennium. Welcoming the focus on improving client services, she said that all clients were entitled to the same level of service, regardless of where they lived.

30. It was regrettable that only 5 of the 26 recommendations of the Board of Auditors up to the year ended 31 December 2015 had been fully implemented. All of the Board's recommendations should be implemented in a timely manner. She reaffirmed that reports of the Board of Auditors on the Pension Fund should be transmitted to the General Assembly through the Advisory Committee and that issues concerning reports of the Board of Auditors remained the sole prerogative of the General Assembly, as the Pension Board was a subsidiary organ of the Assembly. Given the important role that actuarial valuations played in ascertaining the Pension Fund's

obligations and return objectives, the Group would seek clarification, in informal consultations, on how inaccurate valuations could be avoided in the future.

31. The Group welcomed the Pension Fund's climate-change investments, which had contributed favourably to the Fund's investment returns. The Group also welcomed the increase in investment in developing countries by 6.2 per cent from 31 December 2015 to 31 December 2016 and hoped that trend would continue, provided that due regard was paid to safety, profitability, liquidity and convertibility.

32. **Ms. Norman Chalet** (United States of America) said that proper management and oversight of the Pension Fund, including in respect of its investments, operations and client services, were critical, as were transparency and accountability. Her delegation supported the conclusions of the report of the Board of Auditors. While she welcomed the Board's unqualified opinion on the financial statements of the Pension Fund, she was concerned about the slow rate at which the Board's recommendations were being implemented. Many of the Board's recommendations, including those from previous financial periods, had yet to be fully implemented.

33. Her delegation also had concerns about systemic delays in the payment of benefits. While steps had been taken to reduce the backlog, the Pension Fund must address the serious issues affecting its client services and establish a centralized system to register queries. The Pension Fund should create a client grievance redressal mechanism and include procedures for indexing, segregating, prioritizing and monitoring queries. It should also strengthen its internal control procedure to ensure the accuracy of data sent to actuaries and carry out a fresh actuarial valuation as at 31 December 2017. Her delegation looked forward to learning more about the differences in opinion between the Pension Fund and the Board of Auditors and expected that the proposed enhancements to the Integrated Pension Administration System would resolve the implementation issues observed by the Board of Auditors.

*Construction and property management
(A/72/7/Add.26 and A/72/374)*

34. **Mr. Carey** (Office of Central Support Services), introducing the report of the Secretary-General on progress in the construction of new office facilities at the Economic Commission for Africa in Addis Ababa, and update on the renovation of conference facilities, including Africa Hall (A/72/374), said that the Zambezi Building had been completed in June 2017 and that the

final retention funds had been disbursed to the contractor. Minor project close-out activities for ancillary works were under way and were expected to be completed within budget in early 2018.

35. The renovation of Africa Hall was essential, both to protect the health and safety of delegates, staff and visitors and to celebrate the significance of the building in modern African history. The project had five major components: structural upgrade, essential life and health safety, and building works; Plenary Hall and associated works; external works and landscaping; heritage conservation; and a Visitors' Centre, which would include an exhibition space and a lecture gallery. As requested by the General Assembly, the solicitation of voluntary contributions would continue throughout the project cycle. In addition to Mali, which had already contributed to the project, Switzerland had pledged 100,000 Swiss francs.

36. With respect to project governance, an Advisory Board had been established with wide geographical representation and relevant expertise. An administrative and coordination agreement between the Office of Central Support Services and the Economic Commission for Africa had been signed. In addition, a contract had been signed with an independent risk management firm. The recruitment of a Project Coordinator at Headquarters had been completed. Significant progress had been made in negotiations with the host country regarding project implementation and the provision of additional land for the visitors' parking lot.

37. Stage 3 of the project, which was technical design and tender action, was well advanced. The Economic Commission for Africa was soliciting bids from qualified vendors, with a bid deadline in January 2018. The Office of Central Support Services remained confident, therefore, that the project would be completed by 2021. In its resolution 70/248, the General Assembly had approved a maximum overall cost in the amount of \$56.9 million and the project owner — the Executive Secretary of the Economic Commission — was committed to ensuring that the project was completed within budget.

38. The occupancy rate of the Conference Centre had increased from 85 per cent in 2014 to 93 per cent by the end of 2016. Renovation work on the roof of the Conference Centre had started in October 2016 and been completed by the end of that year. The General Assembly was requested to take note of the progress made, including the completion of the project governance structure and the revised cost plan for the renovation of Africa Hall.

39. **Mr. Sene** (Vice-Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/72/7/Add.26), said that the renovation project was progressing according to schedule. The Advisory Committee trusted that its quality and scope would be maintained in the coming years and that a refined estimation of the project contingency level would be established once the risk analysis had been completed and a clearer picture of the actual risks had emerged.

40. Additional efforts were needed to raise global awareness of Africa Hall and the African heritage it represented, including through partnerships with international academic and research institutions specializing in African history and culture. There was also a need to develop a comprehensive resource mobilization strategy focused on the African region. The Advisory Committee encouraged the Secretary-General to continue his engagement with Member States and noted with appreciation the voluntary contributions received to date. Every effort should be made to enable students, tourists and conference participants to visit Africa Hall, regardless of their ability to pay. To that end, the Advisory Committee recommended that the General Assembly should request the Secretary-General to consider other admission options, including a suggested admission fee.

41. **Ms. Pereira Sotomayor** (Ecuador), speaking on behalf of the Group of 77 and China, said that Africa Hall was a historic and symbolic building. The Group noted the intention to create a recognizable branding identity, with a view to generating tourism and academic interest in Africa Hall as an African heritage site, and looked forward to receiving more information on that strategy. The Group welcomed the progress on the Africa Hall project and emphasized the need to complete it in a timely manner, while maintaining its quality and scope, so as to avoid any costs overruns. The Group trusted that a refined estimation of the project contingency level would be established once a risk analysis had been completed. The Group emphasized the need for full and timely implementation of the recommendations of the Office of Internal Oversight Services and welcomed the establishment of a Stakeholders Committee and an Advisory Board.

42. The Group had taken note of the information provided on the Visitors' Centre, including the number of expected visitors, and the observations of the Advisory Committee. The renovation of the Conference Centre should be completed quickly to avoid additional delays. The Group would request information on the scope of and timeline for the project during informal

consultations. The Group reiterated the need to use local materials, technology and capacity and would examine how those elements had been incorporated into project implementation.

43. **Mr. Gayito** (Ethiopia) said that his country attached great importance to the ongoing works, in particular the renovation of Africa Hall, which was a historic and iconic building for all Africans. Coordination among the project team, the Economic Commission for Africa and the Government of Ethiopia was imperative for the successful and timely completion of the project. He trusted that the project team would closely monitor the cost plan and timeline to ensure that the works were completed on schedule, within budget and within the approved project scope. Stage 3 of the Africa Hall project, which included completion of the detailed design and tender documentation for the decanting work at the Congo and Nile buildings, was critical for ensuring that the construction project close-out stages proceeded smoothly.

44. He urged the project team to expedite the completion of the risk analysis to avoid any knock-on delays, and noted that the findings of the independent risk assessment firm would be incorporated into the construction contract. Safety standards and measures to eliminate physical, communication and technical barriers for persons with disabilities must be incorporated into the works. Noting that the total cost of the project would remain unchanged at \$56,896,300, he said that any variations in estimates for work related to the renovation should be tracked.

45. Ethiopia remained committed to providing in-kind support. He trusted that the Secretary-General, in coordination with the African Union, would continue to mobilize additional resources, and called for greater regional and global outreach. His Government would continue to cooperate with the Economic Commission for Africa and the project team through the Stakeholders Committee and the Advisory Board.

The meeting rose at 11.30 a.m.

**General Assembly**

Seventy-second session

Official Records

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Fifth Committee**Summary record of the 21st meeting**

Held at Headquarters, New York, on Thursday, 7 December 2017, at 10 a.m.

Chair: Mr. Tommo Monthe (Cameroon)
*Chair of the Advisory Committee on Administrative
and Budgetary Questions:* Mr. Ruiz Massieu

ContentsAgenda item 136: Proposed programme budget for the biennium 2018–2019 (*continued*)

*Revised estimates relating to the Office of the Victims' Rights Advocate under
section 1, Overall policymaking, direction and coordination, section 29D, Office
of Central Support Services, and section 36, Staff assessment*

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17-21952 (E)



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The meeting was called to order at 10.05 a.m.

Agenda item 136: Proposed programme budget for the biennium 2018–2019 (continued)

Revised estimates relating to the Office of the Victims' Rights Advocate under section 1, Overall policymaking, direction and coordination, section 29D, Office of Central Support Services, and section 36, Staff assessment (A/72/7/Add.27 and A/72/373)

1. **Mr. Huisman** (Director, Programme Planning and Budget Division), introducing the Secretary-General's report on revised estimates relating to the Office of the Victims' Rights Advocate under section 1, Overall policymaking, direction and coordination, section 29D, Office of Central Support Services, and section 36, Staff assessment (A/72/373), said that the report was submitted pursuant to General Assembly resolution 71/297, in which the Assembly welcomed the steps taken to introduce victims' assistance support functions at Headquarters and in the field, and looked forward to future proposals from the Secretary-General in that regard. The total revised estimates proposed in the report amounted to an additional \$1.3 million, comprising \$0.9 million under section 1, Overall policymaking, direction and coordination, and \$0.4 million under section 29D, Office of Central Support Services. The Assembly was requested to approve the additional resources, which would represent a charge against the contingency fund, and the establishment of four posts, comprising one Assistant Secretary-General, one P-4, one P-3 and one General Service (Other level), under section 1, Overall policymaking, direction and coordination.

2. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/72/7/Add.27), said that the resource requirements arising from the Secretary-General's proposal would amount to \$1,326,500. The Advisory Committee had received very limited information with respect to the staffing requirements for the Office of the Victims' Rights Advocate, despite the fact that it had previously recommended that the Secretary-General should provide full justification for any proposed requirements related to that Office and the Office of the Special Coordinator on Improving the United Nations Response to Sexual Exploitation and Abuse, taking into account all existing resources dedicated to dealing with sexual exploitation and abuse issues in the Secretariat, as well as in other relevant United Nations system entities.

3. The Advisory Committee questioned the appropriateness of the proposed structure of the Office and the apparent change of reporting lines for the Advocate, since the Secretary-General had proposed the establishment of the Office in his report on special measures for protection from sexual exploitation and abuse (A/71/818). The Advisory Committee was particularly concerned about the unorthodox proposal that the Advocate, a senior-level post funded through regular budget resources, should report to the Special Coordinator, a temporary senior-level position funded through extrabudgetary resources. The Advisory Committee recommended that an optimal structure for all issues related to sexual exploitation and victims' rights should be submitted for consideration by the General Assembly at its seventy-third session.

4. In the light of those concerns, the Advisory Committee recommended approval of the temporary establishment of the proposed structure and related posts for the Office of the Victims' Rights Advocate for 12 months. That included the temporary establishment of four positions under section 1, Overall policymaking, direction and coordination, for the period 1 January to 31 December 2018, with the expectation that the Secretary-General would provide a full assessment of whether there was a continuing need for them beyond 2018. The Advisory Committee recommended reductions of 15 per cent in the overall amount proposed for official travel of staff; \$209,500 for the alteration of premises; and 20 per cent for furniture and equipment.

The meeting rose at 10.10 a.m.





General Assembly

Seventy-second session

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Fifth Committee

Summary record of the 22nd meeting

Held at Headquarters, New York, on Monday, 11 December 2017, at 10 a.m.

Chair: Mr. Tommo Monthe (Cameroon)
*Chair of the Advisory Committee on Administrative
and Budgetary Questions:* Mr. Ruiz Massieu

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17-22301 (E)



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The meeting was called to order at 10.05 a.m.

Agenda item 136: Proposed programme budget for the biennium 2018–2019 (continued)

Proposal for the replacement of office blocks A–J at the United Nations Office at Nairobi (A/72/7/Add.28 and A/72/375)

1. **Ms. Zewde** (Director-General, United Nations Office at Nairobi), speaking by video link from Nairobi, introduced the report of the Secretary-General on the proposal for the replacement of office blocks A–J at the United Nations Office at Nairobi (A/72/375). She said that the replacement of the blocks was one of the major construction projects identified in the report of the Secretary-General on the strategic capital review (A/70/697) and its preceding report (A/69/760). The semi-prefabricated blocks had been constructed in the 1970s as temporary accommodation and were approaching the end of their useful life. Despite some interior upgrades, they did not comply with prevailing codes and were no longer safe. The roofs were sagging, the wiring presented a risk of fire, and the buildings were at risk of severe damage in a seismic event. In addition, they did not meet current United Nations security requirements, were not fully accessible to persons with disabilities and precluded flexible furniture layouts. The strategic capital review had determined that further investment in major maintenance of the buildings would in time cost more than their full replacement.

2. In addition, numerous prefabricated timber buildings originally constructed as swing space were currently serving as temporary offices. Plans were needed to meet the expansion demands of existing tenants and accommodate new ones. Blocks A–J currently provided office space to the security, facilities and medical services at the United Nations Office at Nairobi and to the United Nations Children's Fund, the United Nations Educational, Scientific and Cultural Organization, and the World Food Programme. The United Nations Office at Nairobi had a duty of care to those organizations, which were paying commercial-level rent, to ensure that the buildings were safe and complied with security, information technology and structural standards.

3. The United Nations did more work in Africa than anywhere else. As well as being the home of a United Nations Office, Nairobi hosted the headquarters of the United Nations Environment Programme (UNEP), the United Nations Human Settlements Programme (UN-Habitat), and the regional, country and project offices of many other agencies, funds and programmes.

The new office space would be designed to fully support the secretariat functions of the United Nations Office at Nairobi, including the provision of purpose-built facilities and infrastructure required for information technology, upgraded medical facilities, catering, consolidated warehousing and transport and vehicle facilities. Any new building would be constructed taking into account flexible workspace strategies that would consolidate the current footprint of the secretariat, thereby allowing for extra office space to be made available to other United Nations tenants.

4. The Government of Kenya had donated 140 acres of land, on which the General Assembly had made substantial investments in buildings, security and other infrastructure. The Kenyan Government had also invested in road upgrades to reduce congestion and improve safety in support of United Nations entities. It was regrettable that Africa was often viewed as a helpless continent in need of peacekeeping and humanitarian assistance. Africa was vast and dynamic, and Nairobi was a place of business that contributed more to global solutions than to global problems.

5. The project represented good value for money. The total project cost of \$69.9 million would ensure that modern office accommodation could be provided to all United Nations entities requiring secure office space in Nairobi, without any need for major upgrades for 20 years. The project was scalable and flexible, and would allow the United Nations Office at Nairobi to take into account the possible impact of ongoing business transformational initiatives. The General Assembly was requested to approve the proposed scope, cost and implementation strategy of option 2 for the replacement of office blocks A–J, approve the establishment of a dedicated project management team, appropriate an amount of \$604,000 for the project for 2018 for design and management costs, and approve the establishment of a multi-year account for the project.

6. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/72/7/Add.28), said that the Advisory Committee recommended that the General Assembly should approve the proposed scope of the project and the implementation strategy of option 2 for the replacement of office blocks A–J, take note of the proposed maximum estimated cost of the project in the amount of \$69.9 million and request the Secretary-General to refine the estimated cost of the project to be presented in the next progress report, in particular the project contingency and cost escalation.

7. The Advisory Committee welcomed the conduct of a space utilization survey and a study to identify space requirements, and the inclusion of a comparative analysis of the three options proposed for the replacement of blocks A-J. The Advisory Committee also welcomed the application of flexible workplace strategies to all the office blocks of the complex, which should optimize the use of available space and reduce requirements for the new construction. The Advisory Committee had made a number of requests for additional information to be provided in the Secretary-General's next progress report, including information on the application of flexible workplace strategies by current non-Secretariat tenants and on the activities and results of the working group on global rental practices.

8. **Ms. Pereira Sotomayor** (Ecuador), speaking on behalf of the Group of 77 and China, said that the Group attached great importance to the provision of suitable facilities at the United Nations Office at Nairobi. The project would improve safety and security, working conditions, space utilization and energy efficiency, ensure compliance with seismic codes, and address life-cycle replacement.

9. The project design should take into account the possible impact of ongoing and proposed business transformational initiatives with a view to getting a clear picture of actual accommodation needs. Such initiatives included the implementation of Umoja, flexible workplace strategies and the global service delivery model. She noted that the project included proposals aimed at increasing accessibility for persons with disabilities and improving sustainability, through increased energy and water efficiency, lower energy consumption and greenhouse gas emissions, better air quality and the removal of hazardous materials.

10. Good project governance and oversight would be essential to complete the project on time and within budget. There was a need to ensure effective management, accountability and transparency. The report called for well-defined coordination between the Office of Central Support Services and the United Nations Office at Nairobi and the establishment of a project management team, a stakeholder committee and a change management and corporate support group. The establishment of an advisory board should also be considered. Collaboration with the host country authorities would be important for ensuring the success of the project. The Secretary-General must facilitate and operationalize those mechanisms. The Group trusted that the Secretary-General would apply lessons learned and best practices in the area of project governance. The

United Nations should utilize its in-house capacity and avoid using consultancy services.

11. The Group welcomed the space utilization survey, which would determine current and future space requirements. The Group urged the Secretary-General to continue implementing flexible workplace strategies tailored to the requirements of the office in question and to examine the space requirements of existing and prospective tenants. Every effort should be made to use local materials, knowledge and technology throughout the project. Of the three options considered for the project, option 2 offered the highest benefits and was the least expensive. The Group trusted that the Secretary-General would make appropriate arrangements to complete the project within the approved scope, timelines and budget.

12. **Mr. Burity** (Angola), speaking on behalf of the Group of African States, said that the Group welcomed the Secretary-General's determination to provide sustainable and sufficient accommodation and related facilities for all United Nations staff through the strategic capital review. Office blocks A-J at the United Nations Office at Nairobi were nearing the end of their useful life, did not comply with current building codes or United Nations security and safety requirements, and were not universally accessible. Major maintenance of the building would in time cost more than their replacement.

13. The presence of non-Secretariat tenants in the facilities would ensure that there was no idle capacity. As flexible workplace strategies were implemented, space requirements and availability would become clear. The United Nations Office at Nairobi should continue to ascertain which entities were interested in being accommodated in the new office space and should undertake space utilization assessments. The Group would be interested in hearing about the effects of ongoing business transformational initiatives.

14. Appropriate governance and oversight measures would be imperative for efficient and effective completion of the project. The report set out various proposals, including the establishment of a dedicated project management team, a stakeholder committee and an advisory board for oversight. The Group was confident that the Office of Central Support Services would provide effective coordination of the project. The Office of Internal Oversight Services should carry out evaluations and inspections throughout the implementation of the project and report any potential risks without delay. Risk mitigation measures should be introduced to address any unforeseen risks.

15. Noting that the projected total cost of the project was \$69.38 million, inclusive of contingency, and that \$604,000 was required for preparatory work in 2018, he said that the General Assembly should establish a multi-year construction-in-progress account. The Group would monitor closely the progress of the project at the United Nations Office at Nairobi and other construction and renovation projects under way at the Economic Commission for Africa. He called on all those involved to monitor and document project implementation with a view to ensuring that the necessary safety and security measures were in place and that proper facilities were available for United Nations staff, as well as delegations and visitors.

16. **Ms. Grignon** (Kenya) said that Kenya was fully committed to the objectives of the United Nations, as evidenced by the fact that it hosted the headquarters of UNEP and UN-Habitat and had allocated a large piece of land to the Organization free of charge. Her delegation welcomed the efforts of the Secretary-General and the General Assembly to increase the financial resources of the United Nations Office at Nairobi, including funding for operations and associated administrative expenses. Appropriate office accommodation and facilities were imperative for creating a suitable working environment for staff. To address the Organization's accommodation needs, the Secretary-General had carried out a strategic capital review and introduced a 20-year capital maintenance programme for buildings owned or leased by the United Nations, covering the period 2018–2037.

17. Her delegation welcomed the Secretary-General's proposal to replace office blocks A–J at a cost of \$69.9 million, with a project duration of seven years and an initial requirement of \$604,000 for 2018 for preparatory work. Some of the Organization's oldest buildings in Nairobi had become dilapidated and no longer complied with international health and safety requirements or United Nations standards. The new office space would comply with building codes, accommodate additional staff members and improve efficiency and sustainability. The Secretary-General should continue to assess the condition of the buildings and infrastructural facilities at the United Nations Office at Nairobi and take action as appropriate.

18. An effective project governance and oversight mechanism must be put in place. In addition, to ensure that the buildings were adapted to local conditions and to minimize construction costs, local knowledge, technology and capacity must be used to the extent possible. The United Nations should take advantage of the high-quality building materials available in Kenya. In accordance with the host country agreement, her

Government was committed to working with the United Nations to implement the project by facilitating the movement of materials and persons, granting tax exemptions, and providing relevant services and facilities.

Implementation of a flexible workplace at United Nations Headquarters (A/72/7/Add.29 and A/72/379)

19. **Mr. Carey** (Office of Central Support Services), introducing the Secretary-General's second progress report on the implementation of a flexible workplace at United Nations Headquarters (A/72/379), said that, since the previous report (A/70/708), substantial progress had been made in modernizing the work environment in the Secretariat building, while realizing efficiencies in project implementation, including through reductions to the Organization's lease portfolio. Tailored construction contracts had been developed, which had reduced estimated project unit costs. Moreover, the additional capacity created by the project in the Secretariat building had enabled the Organization to vacate the Daily News Building, and the General Assembly's approval of the plan outlined in the Secretary-General's report (A/72/379) would enable it to vacate the United Nations Federal Credit Union Building and the Innovation Building in 2018. The reductions in annual recurrent rental costs from the non-renewal of those leases would amount to \$16.3 million and enable the project to reach the break-even point by 2021.

20. The report included a schedule and plan for the implementation of a flexible workplace on 26 floors of the Secretariat building by 2020, which would entail an overall project cost of \$54,981,400 and would create additional capacity for 1,154 staff in the Secretariat building. It also outlined the findings of the May 2017 on-site observations and survey conducted among staff working on flexible workplace floors, whose feedback on the project had been consistently sought. While several areas for improvement had been identified, staff had reported a higher level of workplace satisfaction than in the baseline assessment conducted during the feasibility study for the project in 2014.

21. The project plan would be reviewed in the light of future relevant General Assembly decisions, including with respect to the global service delivery model, and any information on the impact of such decisions on the plan would be included in the Secretary-General's third annual progress report proposed for submission to the Assembly at its seventy-third session. The General Assembly was requested to take note of the project plan and its revised estimated cost; approve the continuation

of the project and of the three temporary positions for the project team; authorize the Secretary-General to enter into commitments up to the amount of \$25,401,200 in respect of the project costs in 2018–2019; and appropriate the amount of \$6,586,600 for the project under the proposed programme budget for the biennium 2018–2019.

22. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/72/7/Add.29), said that the Advisory Committee reiterated a number of its previous recommendations, in particular with regard to the need for an assessment of the impact of a flexible workplace on productivity; a more detailed implementation plan; and a review of the cost estimates for the project. Noting that the Secretary-General's third progress report might reflect adjustments arising from decisions of the General Assembly on the reform proposals presented by the Secretary-General at its current session, the Advisory Committee recommended that the Assembly should authorize the Secretary-General to enter into commitments up to the amount of \$12,700,600 in respect of the project costs for 2018. The Advisory Committee would review the estimated costs for 2019 onwards at the time of its consideration of the Secretary-General's third progress report. In addition, it recommended that the General Assembly should approve the continuation of the three temporary positions for the project team and should request the Secretary-General to explore options for the self-financing of the project.

23. **Ms. Pereira Sotomayor** (Ecuador), speaking on behalf of the Group of 77 and China, said that the Group recognized the importance of organizational transformation initiatives that contributed to a modern, adaptable and effective United Nations. However, such initiatives must be implemented in a well-considered and flexible manner, taking into account evolving work practices and staff needs.

24. The Group welcomed the ongoing efforts to solicit feedback from users of flexible work spaces, while noting that, in the May 2017 survey, some staff had reported that they had difficulty focusing on work and finding colleagues or team members, and that they felt less productive. The Group was also concerned at the undersubscription of flexible workplace floors, which undermined efforts to optimize productivity, and at the discrepancies in the perceptions of junior and senior managers regarding team productivity. Lessons learned from the outcome of the flexible workplace pilot programme carried out at Headquarters in 2014, in particular with regard to its impact on staff productivity

and performance, should therefore be analysed in order to ensure the project's effective implementation. Noting that an assessment of the impact of a flexible workplace on productivity, with reliable indicators and methodologies, had still not been undertaken, the Group looked forward to receiving further details in that regard, as well as on the capacity and rates of occupancy on each floor of the Secretariat building, and on the effects of the project on flexible work arrangements and performance evaluations. The Group also requested a more detailed implementation plan for the full scope of the project, including its impact on leases in non-United Nations-owned property.

25. Although the project costs reported by the Secretary-General represented a decrease from the projections presented in his first progress report (A/70/708), they had, in fact, risen from the initial projection provided in his report on the comprehensive business case for the application of flexible workplace strategies at the United Nations (A/69/749). In that regard, a well-substantiated, reliable business case was critical for informing the Committee's consideration of costly transformation initiatives and the Secretary-General should explore options for the self-financing of the project. The Group would consider the proposed cost estimates in the light of concerns expressed in the Committee regarding the prioritization and sequencing of large capital projects and in relation to the full scope of construction projects and resource requirements being considered under the proposed programme budget for the biennium 2018–2019. The Group would also consider the potential impact on the scope and duration of the project of General Assembly decisions relating to Umoja, the global service delivery model and the long-term accommodation needs of the Organization. In addition, it would seek further information on the evolution of the Secretariat's policies on flexible work arrangements and on the alignment of those policies with project objectives.

26. **Ms. Zhang Jiarui** (China) underscored the need to take stock of experience gained and enhance implementation of the flexible workplace strategy in order to ensure optimal utilization of office space, improve working conditions and efficiency, and achieve energy efficiency. She hoped that the Secretariat would conduct a detailed assessment of the effects of the flexible workplace pilot programme on, inter alia, productivity and flexible work arrangements; comprehensively address the low workplace performance index, a measure developed by the consultancy firm contracted to assist with the transition to a flexible workplace, for flexible workplace floors; and continuously improve the flexible workplace

programme. The Secretariat must report to the Assembly on those matters in a timely manner.

27. The strategy must be forward-looking and should be rolled out gradually to allow for improvements to be made on the basis of the Assembly's decisions regarding organizational reforms and the progress of relevant strategic transformation initiatives. Enhanced budgetary discipline and management were also essential. While her delegation appreciated the fact that the revised cost estimates represented a decrease of \$10,728,000 compared with the amount of \$65,709,400 presented in the Secretary-General's first progress report (A/70/708), the need for that revision demonstrated the importance of enhancing budget accuracy in the future. Continued efforts must be made to reduce the overall project budget, particularly in the light of the efficiencies achieved thus far, and the Secretariat must provide further details with regard to the implementation of each phase of the project.

The meeting rose at 11 05 a.m.

The meeting was called to order at 10.05 a.m.

Agenda item 136: Proposed programme budget for the biennium 2018–2019 (continued)

Estimates in respect of special political missions, good offices and other political initiatives authorized by the General Assembly and/or the Security Council (continued)

Thematic cluster III: regional offices, offices in support of political processes and other missions (A/72/7/Add.13 and A/72/371/Add.3)

United Nations Verification Mission in Colombia (A/72/7/Add.17 and A/72/371/Add.7)

1. **Ms. Bartsiotas** (Controller), introducing the Secretary-General's report on the proposed resource requirements for 2018 under thematic cluster III (A/72/371/Add.3), said that the report contained the proposed budgets for seven of the nine special political missions grouped under cluster III: regional offices, offices in support of political processes and other missions. The proposed resources for the United Nations Support Mission in Libya (UNSMIL) and the United Nations Verification Mission in Colombia would be presented in separate addenda. In 2017, cluster III missions had contributed to conflict prevention and the maintenance of international peace and security through early warning, mediation, preventive diplomacy, support to electoral processes, good offices and peacebuilding.

2. The proposed resources for 2018 amounted to \$151.4 million, representing an increase of \$3.6 million compared with the approved resources for 2017, a difference mainly attributable to a lower vacancy rate and higher steps in grade for civilian, military and police personnel, primarily in the United Nations Office for West Africa and the Sahel (UNOWAS) and the United Nations Assistance Mission in Somalia (UNSOM). The increase was partially offset by lower operational costs, mainly for medical services and ground transportation.

3. Introducing the Secretary-General's report on the proposed resource requirements for 2018 for the United Nations Verification Mission in Colombia (A/72/371/Add.7), she said that the Security Council by its resolution 2366 (2017) had established the Mission for an initial period of 12 months, and by its resolution 2377 (2017) had approved the recommendations contained in the Secretary-General's report (S/2017/745) regarding the Mission's size, operational aspects and mandate. The Mission was mandated to

verify the implementation of two key aspects of the 2016 Final Agreement for Ending the Conflict and Building a Stable and Lasting Peace between the Colombian Government and the Revolutionary Armed Forces of Colombia – People's Army (FARC-EP). Those aspects were the political, economic and social reintegration of FARC-EP members and the implementation of personal and collective security and protection measures. The proposed resource requirements for the Mission for 2018 amounted to \$73.6 million, with a total staffing complement of 393 civilian positions.

4. **Mr. Sene** (Vice-Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on the resources proposed for seven missions under thematic cluster III (A/72/7/Add.13), said that the Advisory Committee recommended approval of the proposed staffing resources for those missions. It also recommended that further requirement for the position of Senior Political/Electoral Officer (P-5) in the United Nations Integrated Peacebuilding Office in Guinea-Bissau (UNIOGBIS) should be fully justified in the proposed programme budget for 2019. The Advisory Committee reiterated that, as a matter of overall policy, the continuing requirement for positions that had been vacant for two years or longer should be reviewed and either justification should be provided for their retention or they should be proposed for abolishment. It therefore recommended the abolishment of three positions in UNSOM. The six Human Rights Officer positions proposed for UNSOM in order to expand the human rights due diligence policy work would benefit a number of United Nations entities; greater information was needed regarding cost sharing arrangements for the services provided to other entities.

5. With respect to operational costs, the Advisory Committee was concerned that the resource estimates for 2018 might not be realistic in view of the current state of underexpenditure and recommended that information on actual and projected expenditure to the end of 2017 should be provided to the General Assembly. The Advisory Committee also recommended reductions under facilities and infrastructure in the amounts of \$84,700 and \$110,000 for UNOWAS and UNSOM, respectively. Given the need for a review of the use of shared assets for air operations, the Advisory Committee also recommended that the resources for 2018 under air operations for UNOWAS and UNIOGBIS should be maintained at the levels approved for 2017.

6. The Advisory Committee recommended reductions of \$25,800 for consultants in the United

Nations Regional Office for Central Africa (UNOCA), given that the mission should use in-house capacity to perform core activities or long-term functions. The Advisory Committee also recommended against the proposed resources of \$109,100 for individual contractors to perform support activities in UNOCA and noted that increases in substantive staffing should not automatically result in increased support activities. Lastly, greater information should be provided on mine action activities in future budget proposals for UNSOM.

7. Introducing the report of the Advisory Committee on the proposed requirements for 2018 for the United Nations Verification Mission in Colombia (A/72/7/Add.17), he said that the Advisory Committee recommended approval of the proposed staffing resources for the Mission, other than one position of Administrative Assistant (Local level) in the Office of the Chief of Staff and one backstopping position of Human Resources Officer (P-4) in the Department of Field Support. The Advisory Committee noted that the ratio of international to national staff was 1:1 in the Mission and welcomed the reliance on national staff. With respect to operational costs, in the absence of sufficient justification and information on the consultancy requirements, the Advisory Committee recommended a reduction in the amount of \$295,900. In its main report on special political missions (A/72/7/Add.10), the Advisory Committee had made comments and recommendations on official travel and the Kuwait Joint Support Office.

8. **Mr. Escalante Hasbún** (El Salvador), speaking on behalf of the Community of Latin American and Caribbean States (CELAC), said that the Community welcomed the successful implementation of the mandate of the United Nations Mission in Colombia. The Community had contributed to that Mission through unarmed observers who had verified the implementation of the ceasefire and the laying down of arms, thereby demonstrating the importance of regional mechanisms for conflict resolution, preventive diplomacy, good offices and mediation.

9. CELAC strongly supported the peace process; the efforts and compromises that had been made in that process were a testament to the commitment to consolidating peace in Colombia. The United Nations must therefore give the new United Nations Verification Mission in Colombia its full support in order to successfully reintegrate FARC-EP members into political, economic and social life and implement security guarantees. He was confident that the Committee would ensure that the Mission received the resources required to implement its mandate fully and effectively.

10. **Mr. Hyndrak** (Observer for the European Union), speaking also on behalf of the candidate countries Albania, Montenegro, Serbia and the former Yugoslav Republic of Macedonia; the stabilization and association country Bosnia and Herzegovina; and the Republic of Moldova, said that excellent progress had been made in Colombia since the signing of the peace agreement between the Government of Colombia and FARC-EP. The States members of the European Union were strongly committed to the peace process, including through their support for the mandate and functioning of the United Nations Verification Mission in Colombia, which would play a crucial role in verifying the implementation of the political, economic and social reintegration of FARC-EP members and security guarantees. At the current critical stage, the Mission should receive the support of the entire international community, including through the United Nations commitment and presence on the ground. The European Union was supporting peacebuilding in Colombia, one of its closest partners in Latin America, with a package of nearly 600 million euros, through the European Union Trust Fund in Colombia and potential loans from the European Investment Bank.

11. **Mr. Sandoval Mendiola** (Mexico) said that the achievement of peace in Colombia with the end of its civil conflict demonstrated that the international community was capable of finding solutions even to long-standing problems. The Organization had played an important role through the United Nations Mission in Colombia, which had included unarmed observers from Mexico. At the current stage, the new United Nations Verification Mission in Colombia would play a crucial role in facilitating the reintegration of former combatants and should therefore be deployed widely in the country with the necessary support personnel. His delegation was confident that the Committee would provide the Mission with the resources it required to help consolidate peace in Colombia.

12. **Ms. Domínguez** (Chile) said that, as one of the guarantors of the peace negotiations in Colombia, Chile reaffirmed its intention to continue cooperating in the consolidation of peace. The United Nations Verification Mission in Colombia would be crucial for building a lasting peace, thereby giving hope to all those seeking an end to conflicts in other places. Its mandate would ensure the reintegration of former combatants into civilian life; security measures in former conflict zones; and political participation by FARC-EP members who had laid down their arms under the peace agreement. She noted the commendable efforts of Colombia in supporting the deployment of the Mission, and the contributions of observers and other human resources by

Member States from the region. The Member States must provide the necessary resources to the Mission in a predictable, flexible and efficient manner that would enable it to fulfil its mandate.

13. **Ms. Babio** (Argentina) said that her Government had strongly supported the Colombian people in their commitment to peace, and had been one of the main contributors of observers to the United Nations Mission in Colombia. The new United Nations Verification Mission in Colombia exemplified the Organization's ability to proactively assist a country to achieve a lasting peace, and Argentina would continue to provide support to overcome the challenges ahead. She urged the Committee to approve the resources for the Mission that had been proposed by the Secretary-General and recommended by the Advisory Committee.

14. **Mr. Feldman** (Brazil) said that his delegation celebrated the success of the United Nations Mission in Colombia and congratulated Colombia for its commitment to the implementation of the peace agreement, which would have positive effects of historical significance for the entire region. He welcomed the adoption of Security Council resolutions 2366 (2017), 2377 (2017) and 2381 (2017) concerning the establishment and mandate of the United Nations Verification Mission in Colombia. The Mission should be provided with all necessary resources for the proper implementation of its mandate.

15. **Ms. Mejía Velez** (Colombia) said that her delegation reiterated its thanks to the international community and the States of her region for demonstrating their commitment to peace in Colombia through their support for the United Nations Mission in Colombia, which had successfully implemented its mandate. Her country now sought to take the next crucial step in the peace process, with the assistance of the new United Nations Verification Mission in Colombia. The Mission's mandate included the political, economic and social reintegration of FARC-EP members and the implementation of personal and collective security guarantees and protection programmes for communities and organizations. The full and effective implementation of that mandate would depend on the human and financial resources requested by the Secretary-General, and she was confident that the Committee would continue to support Colombia and its people as they moved forward towards peace.

The meeting rose at 10.45 a.m.



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Summary record of the 24th meeting

Held at Headquarters, New York, on Thursday, 14 December 2017, at 10 a.m.

Chair: Mr. Tommo Monthe (Cameroon)
*Chair of the Advisory Committee on Administrative
and Budgetary Questions:* Mr. Ruiz Massieu

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17-22528 (E)



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The meeting was called to order at 10.05 a.m.

Agenda item 163: Financing of the African Union-United Nations Hybrid Operation in Darfur
(A/72/563 and A/72/636)

1. **Ms. Bartsiotas** (Controller), introducing the report of the Secretary-General on the revised budget for the African Union-United Nations Hybrid Operation in Darfur (UNAMID) for the period from 1 July 2017 to 30 June 2018 (A/72/563), said that the revised budget amounted to \$948.8 million, which represented a decrease of 8.7 per cent compared with the 2016/17 period. That reduction reflected the planned repatriation of military and police personnel, in accordance with the reconfiguration of UNAMID pursuant to Security Council resolution 2363 (2017).

2. UNAMID would focus on military protection, the clearance of explosive remnants of war and emergency relief in the Jebel Marra area. In other areas of Darfur where there had not been recent fighting, UNAMID would focus on stabilizing the situation, supporting the police and helping the rule of law institutions, while continuing to protect civilians, mediating intercommunal conflict and following up on issues related to security sector reform. Taking into account the amount of \$486 million previously assessed on Member States for the period from 1 July to 31 December 2017 by General Assembly resolution 71/310, an additional amount of \$462.8 million would have to be assessed for the 2017/18 period.

3. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/72/636), said that, in accordance with Security Council resolution 2363 (2017), UNAMID would downsize its military, police and civilian personnel over a one-year period in two phases, with the first phase to conclude on 31 December 2017 and the second phase to conclude on 30 June 2018. The Advisory Committee recommended an overall reduction in the proposed budget of UNAMID of \$9.8 million.

4. The reductions under civilian staffing pertained mainly to one-time termination indemnity costs. The Advisory Committee noted that there was some uncertainty with respect to the number of civilian personnel projected to be on board at the end of the budget period and therefore recommended a reduction in the resources for one-time termination indemnity costs for international and national staff. In addition, the calculation of one-time termination indemnity costs should be more transparent. The Advisory Committee

requested the Secretary-General to provide details thereon to the General Assembly at the time of its consideration of the present report.

5. Further reductions were recommended by the Advisory Committee under three operational categories: a reduction of 10 per cent under official travel; a reduction of \$2 million under facilities and infrastructure; and a reduction of \$2 million under communications. He recalled that the Advisory Committee had previously urged UNAMID to strengthen its environmental efforts and to pursue the utilization of alternative renewable energy sources in order to minimize the need for fossil-fuel-powered equipment. Efforts aimed at reducing the overall environmental footprint of UNAMID should be strengthened, as requested by the General Assembly in its resolutions 69/307 and 70/286.

6. **Mr. Burity** (Angola), speaking on behalf of the Group of African States, said that the security situation in Darfur had improved. There had been no reports of confrontation between the Government and rebel groups in recent months and the incidence of intercommunal violence had fallen as a result of the effective measures taken by the Government of the Sudan, which had improved the overall humanitarian situation in the country.

7. Implementation of the Doha Document for Peace in Darfur, including the disarmament of the civilian population and the militia, would help to address the root causes of the conflict and improve peace and security in Darfur. The allocation of appropriate resources for mandate delivery by UNAMID would be instrumental in assisting law enforcement and justice institutions and ensuring that the Government's arms collection campaign was successful.

8. Given that the reconfiguration of UNAMID was proceeding well and that Darfur had remained stable despite the closure of team sites and the steady drawdown of forces, the Group of African States hoped that the second phase of the drawdown would also be a success and that the Operation's resource requirements would fall. More resources should be allocated to reducing the environmental footprint of UNAMID. In addition, the Secretariat should focus on post-conflict reconstruction efforts.

9. **Mr. Mohammed** (Sudan) said that the Security Council, in its resolution 2363 (2017), had decided to reduce the number of UNAMID personnel in the light of the cessation of hostilities. During the first phase, the number of military personnel would be reduced by 44 per cent and the number of police personnel would be reduced by 30 per cent. The second phase would start

in January 2018. The Security Council had recognized his Government's efforts to stabilize the country and implement the Doha Document for Peace in Darfur.

10. The humanitarian situation in the Sudan had improved. His Government had launched an arms collection campaign and efforts were being made to help displaced persons. It had also had opened several humanitarian corridors in response to the humanitarian crisis in South Sudan and was hosting large numbers of refugees from that country. Moreover, the Sudanese Government and the Office for the Coordination of Humanitarian Affairs had concluded an agreement aimed at finding sustainable solutions to the plight of refugees and enabling thousands of displaced persons to return to their villages.

11. The security and stability of the country had also improved. There had not been any new waves of displacement in 2017, nor had there been further clashes between the armed forces and the Darfur rebel movements, except for an incident in May 2017, when the remnants of some rebel groups had entered the country through Libya and South Sudan. However, those groups had been neutralized and the Sudanese Government had observed a unilateral ceasefire ever since. His Government was committed to working with the United Nations and the African Union to bring about lasting peace and promote sustainable development.

12. In the light of recent developments, the budget of UNAMID should be re-examined. The priority should be ensuring post-conflict reconstruction, providing environmental support for affected communities and reducing the environmental footprint of UNAMID. It was also essential to ensure the return of internally displaced persons and promote disarmament, demobilization and reintegration, but those goals were not in keeping with the mandate and capabilities of UNAMID. The region must focus on consolidating peace and addressing the root causes of conflict, which was a huge challenge that would require concerted efforts by all parties.

The meeting rose at 10.20 a.m.

**General Assembly**

Seventy-second session

Official Records

Distr.: General
19 January 2018

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Fifth Committee**Summary record of the 25th meeting**

Held at Headquarters, New York, on Friday, 15 December 2017, at 11 a.m.

Chair: Mr. Tommo Monthe (Cameroon)
*Vice-Chair of the Advisory Committee on Administrative
and Budgetary Questions:* Mr. Sene

ContentsAgenda item 136: Proposed programme budget for the biennium 2018–2019 (*continued*)

*Estimates in respect of special political missions, good offices and other political
initiatives authorized by the General Assembly and/or the Security Council
(continued)*

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17-22629 (E)



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The meeting was called to order at 11 a.m.

Agenda item 136: Proposed programme budget for the biennium 2018–2019 (continued)

Estimates in respect of special political missions, good offices and other political initiatives authorized by the General Assembly and/or the Security Council (continued) (A/72/7/Add.10 and A/72/371)

1. **Mr. Huisman** (Director, Programme Planning and Budget Division), introducing the report of the Secretary-General on estimates in respect of special political missions, good offices and other political initiatives authorized by the General Assembly and/or the Security Council (A/72/371), said that the total estimated resource requirements for the 35 special political missions covered by the report amounted to \$641.1 million, including the share of special political missions in the budget of the Regional Service Centre in Entebbe, Uganda, in accordance with General Assembly resolution 71/293. As the mandate of the Organisation for the Prohibition of Chemical Weapons-United Nations Joint Investigative Mechanism had not been renewed, the requirements of the remaining 34 special political missions amounted to \$636.3 million. The proposed number of civilian positions for the 34 missions was 3,838, an increase of 109 positions, mainly as a result of the establishment of the United Nations Verification Mission in Colombia, although that was partly offset by net decreases in staffing under the United Nations Assistance Mission in Afghanistan (UNAMA).

2. The budget proposals for special political missions for 2018 were organized in three thematic clusters, while the budgets for UNAMA and the United Nations Assistance Mission for Iraq were presented in separate addenda. The missions grouped under cluster I were special and personal envoys, advisers and representatives of the Secretary-General; cluster II missions were sanctions monitoring teams, groups and panels, and other entities and mechanisms; and cluster III missions were regional offices, offices in support of political processes and other missions. For 2018, the budget proposals for the Panel of Experts on Mali, the United Nations Verification Mission in Colombia and the United Nations Support Mission in Libya were also presented in separate addenda.

3. Efforts continued to be made to improve the format and presentation of budgets for special political missions. The report included information on official travel resources, backstopping positions and vacancy rates. It was proposed that the General Assembly should

approve the budgets for the 34 special political missions for 2018, including the share of special political missions in the budget of the Regional Service Centre, in the total amount of \$636.3 million. The Assembly was also requested to approve a charge of \$636.3 million against the provision for special political missions proposed under section 3, Political affairs, of the proposed programme budget for the biennium 2018–2019.

4. **Mr. Sene** (Vice-Chair of the Advisory Committee on Administrative and Budgetary Questions) introduced the related report of the Advisory Committee (A/72/7/Add.10), which covered the Secretary-General's overall resource estimates for special political missions and related cross-cutting issues. He said that the Secretary-General had presented the resource requirements for each of the special political missions in addenda to his main report (A/72/371/Add.1, A/72/371/Add.2, A/72/371/Add.3, A/72/371/Add.4, A/72/371/Add.5, A/72/371/Add.6, A/72/371/Add.7 and A/72/371/Add.8) and the Advisory Committee had accordingly made specific recommendations on those resources in its related reports (A/72/7/Add.11, A/72/7/Add.12, A/72/7/Add.13, A/72/7/Add.14, A/72/7/Add.15, A/72/7/Add.16, A/72/7/Add.17 and A/72/7/Add.18). In view of the conclusion of the mandate of one mission under thematic cluster II, the proposed resources for 2018 included requirements for 34, rather than 35, missions. The Advisory Committee recommended that the General Assembly should approve the resources requested by the Secretary-General, subject to its comments and recommendations as set out in its related reports.

5. The Advisory Committee also made recommendations on cross-cutting issues for the special political missions. With regard to the budget performance for 2016–2017, the Advisory Committee noted that the expenditures for 2016–2017 were projections made during the preparation of the budget. The projections would only be updated in the Secretary-General's second performance report. Accordingly, the Committee requested that the most up-to-date information should be provided to the General Assembly now. Regarding resource requirements for 2018–2019, an amount of \$636.3 million was proposed for 34 missions for 2018, which would be charged against the proposed biennial provision of \$1,109.6 million for 2018–2019, leaving an amount of \$473.3 million for 2019 for special political missions. The level of resources approved for special political missions for recent bienniums had been between 7 and 10 per cent higher than the amount set aside for the missions in the proposed programme budget for the biennium 2018–2019.

6. Turning to the staffing requirements for 2018, he said that the Secretary-General was proposing a net increase of 109 positions for the 34 missions. That increase reflected the proposed establishment of 415 positions and a reduction of 306 positions. The comments and recommendations of the Advisory Committee on the proposed staffing requirements for individual missions were contained in its related reports. With regard to operational costs, there was a proposed increase of \$34.7 million for 2018 compared with the resources approved for 2017 for the 34 missions.

7. A total of \$20.3 million was proposed under official travel for 2018, an increase of \$2.4 million, or 13.6 per cent, from 2017. The Advisory Committee recommended a reduction of 5 per cent (\$1,013,655) in the resources proposed under official travel for 2018, based on its analysis of the costing parameters for air tickets, compliance with the advance purchase policy, and utilization of videoconferencing and alternative means of communication.

8. Actual air fares for some destinations in 2016–2017 had been considerably lower than the estimates in the budget proposals for 2018; accordingly, the Advisory Committee considered that the resource estimates for official travel for 2018 contained some overestimation. The Advisory Committee recommended that the General Assembly should request the Secretary-General to improve the methodology for determining air ticket estimates in all budget proposals. Improving compliance with the advance purchase policy would also lead to savings. In addition, little information was made available concerning actual or potential savings arising from the use of alternative means of communication; given the ever-expanding and improved means of communication offered by technology, larger reductions in resource requirements for official travel could have been possible.

9. The trend of increasingly higher-than-standard allocations of vehicles, computing devices and spare computing equipment should be reviewed and reversed. The Advisory Committee welcomed the greater scrutiny and control to be exercised over the acquisition of vehicles planned for 2018 and the related redistribution of available vehicle stock across the missions.

10. The Advisory Committee noted that no independent validation of the costs and benefits of the Kuwait Joint Support Office was planned in the review of the shared service centres in the context of the preparation of the report on the global service delivery model. The set-up of the Support Office did not include a business case study, with independently validated cost-benefit analysis, for approval by the Assembly. The

Advisory Committee had also discussed other cross-cutting issues in its report, such as backstopping support to special political missions at Headquarters, the lack of progress in the nationalization of positions, and mission support structure.

11. **Mr. Gafoor** (Singapore), speaking on behalf of the Association of Southeast Asian Nations (ASEAN), said that ASEAN fully supported the important role played by special political missions in responding to complex global security challenges, and was committed to increasing their effectiveness, transparency and accountability. Special political missions must be able to deliver on their mandates. Coordination among special political missions, peacekeeping operations and other peacebuilding activities must be improved to avoid duplication and enable the United Nations to work as one.

12. Current financing arrangements made it difficult for special political missions to operate at optimum capacity. The Fifth Committee had repeatedly failed to take action on the recommendations of the Advisory Committee and the High-level Independent Panel on Peace Operations regarding funding and backstopping arrangements for special political missions. Those recommendations were increasingly pertinent. If Member States were serious about giving the Secretary-General the tools to respond effectively and flexibly to special situations, they must follow through by facilitating his work.

13. A serious review of funding and backstopping arrangements must be undertaken. The efficiency gains promised by the Secretariat to bring down costs had not been achieved. The regular budget was shrinking in real terms, but the share of special political missions in the budget had increased exponentially. The Secretariat had proposed a budget of \$5.4 billion for 2018–2019, a 3.9 per cent decrease from the appropriation for the current biennium, and further reductions were likely. Special political missions accounted for over 20 per cent of the regular budget, cannibalizing funding for other priority items such as development.

14. The Advisory Committee's recommendations concerning funding and backstopping arrangements should be implemented immediately. Special political missions should be funded from a separate account that was aligned with the budgetary cycle for peacekeeping operations and charged on the peacekeeping scale. It was important to ensure adequate and predictable financing for special political missions, including during mission drawdown, to guarantee the stability and continuity of peacebuilding activities.

15. ASEAN noted that 34 out of the 35 special political missions had been created by decisions of the Security Council and they included large field missions that had more in common with peacekeeping operations than traditional special political missions. The current scale of assessments for peacekeeping operations reflected the responsibilities of the permanent members of the Security Council; it was not unreasonable to expect States that had immense influence over special political missions to shoulder a larger responsibility for their funding.

16. **Mr. Sandoval Mendiola** (Mexico) said that special political missions played an important role in building peace on the ground. They also played an important preventive role by promoting mediation and sustainable development and strengthening the rule of law and respect for human rights. They enabled the international community to respond effectively to various challenges and contexts.

17. His delegation welcomed the Secretary-General's efforts to improve the effectiveness and transparency of the Organization, in particular the peace and security pillar. As part of that process, the way in which decisions about special political missions were made must be reviewed. At present the Security Council, with its restricted membership, decided how the resources of all Member States were spent. Mandates approved by the Security Council entailed resources that exceeded 20 per cent of the regular budget, which was unsustainable. A large portion of those resources went to just three missions.

18. Resources for special political missions should be channelled into prevention, development, peacebuilding, creating inclusive societies, promoting the rule of law and implementing the 2030 Agenda for Sustainable Development. If such missions focused on building lasting peace and became more transparent and accountable, they would be viewed more favourably. His delegation hoped that a separate account for special political missions would be created as part of the current reform process. Recalling that special political missions operated in volatile areas, he said that the Organization must be able to respond quickly and efficiently to requests for assistance in order to remain relevant. Changing the way in which special political missions were financed and improving transparency would help to ensure that the Secretary-General's reform efforts were a success.

The meeting rose at 11.35 a.m.

**General Assembly**

Seventy-second session

Official Records

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Original: English

Fifth Committee**Summary record of the 26th meeting**

Held at Headquarters, New York, on Monday, 18 December 2017, at 10 a.m.

Chair: Mr. Tommo Monthe (Cameroon)
*Chair of the Advisory Committee on Administrative
and Budgetary Questions:* Mr. Ruiz Massieu

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17-22749 (E)



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The meeting was called to order at 10.05 a.m.

Agenda item 165: Financing of the United Nations Mission for Justice Support in Haiti (A/72/560 and A/72/642)

1. **Ms. Costa** (Director, Peacekeeping Financing Division), introducing the proposed budget for the United Nations Mission for Justice Support in Haiti (MINUJUSTH) for the period from 16 October 2017 to 30 June 2018 (A/72/560), said that the mandate of the Mission had been established by the Security Council in its resolution 2350 (2017) for an initial period of six months, from 16 October 2017 to 15 April 2018, as a follow-on to the United Nations Stabilization Mission in Haiti (MINUSTAH).

2. Estimated resource requirements for MINUJUSTH amounted to \$93.2 million. The resource requirements of \$34.3 million for military and police personnel provided for full deployment, given the transfer of formed police units from MINUSTAH and the ability to recruit from among the United Nations police officers who had been engaged with MINUSTAH. The resource requirements of \$26.8 million for civilian personnel provided for the deployment of 160 international staff, 185 national staff, 6 United Nations Volunteers and 38 Government-provided personnel. The estimates assumed that recruitment efforts during the 2.5-month period from 16 October 2017 would result in full incumbency on 1 January 2018. The resource requirements of \$32.1 million for operational costs took into consideration the facilities and infrastructure that had been transferred to MINUJUSTH. Existing commercial contracts for goods and services had been scaled down and transferred to MINUJUSTH.

3. On 6 September 2017, the Controller had sought the concurrence of the Advisory Committee to enter into commitments to meet the estimated preliminary resource requirements for start-up activities for the period from 16 October to 31 December 2017. The Advisory Committee had authorized the Secretary-General to enter into commitments of up to \$25 million until 31 December 2017. The present budget proposal took into consideration the amount authorized by the Advisory Committee and set out the resource requirements for the full 8.5-month period from 16 October 2017 to 30 June 2018. Advances made from the Peacekeeping Reserve Fund would be reimbursed, in accordance with regulation 4.7 of the Financial Regulations and Rules of the United Nations. The General Assembly was requested to appropriate the proposed resources and approve the use for MINUJUSTH of the special account established for MINUSTAH.

4. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/72/642), said that the Advisory Committee recommended an appropriation of \$91,811,200 for the period from 16 October 2017 to 30 June 2018, a reduction of \$1,370,900 to the proposed budget. The Advisory Committee had taken note of the proposal to use mobile teams to undertake mandated activities in nine regions outside Port-au-Prince. An assessment of their effectiveness should be provided in the first performance report for MINUJUSTH.

5. The Advisory Committee recommended against an adjustment to the staffing requirements for payroll servicing, given the reduced workload arising from the payroll of a smaller mission. It also recommended a reduction to the staffing requirements for the Capacity-Building Section. In addition, the Advisory Committee recommended an adjustment to the vacancy rates for certain staff categories for the period from 1 January to 30 June 2018 in view of actual recruitment patterns. Regarding operational requirements, the Advisory Committee recommended reductions to the requirements for training consultants and to the proposed expenditure for outside-mission travel.

6. The Secretary-General had proposed that the special account for MINUSTAH should be used for MINUJUSTH. The Advisory Committee had been informed that the resources and expenditures of MINUJUSTH would be managed as though it were a transition of MINUSTAH. The Advisory Committee trusted that formal financial reports through the Umoja enterprise resource planning system would enable separate and distinct reporting on expenditures and resource usage for both missions, including for the use of the special account during the overlapping period.

7. **Mr. Funes Henríquez** (El Salvador), speaking on behalf of the Community of Latin American and Caribbean States (CELAC), said that the Community reaffirmed its solidarity with Haiti and recognized the importance of international efforts to support the country's national priorities. Noting the Security Council's decision to establish MINUJUSTH as a follow-on mission to MINUSTAH for an initial period of six months, he stressed that MINUJUSTH would receive the same support from CELAC that MINUSTAH had historically received.

8. In order for MINUJUSTH to carry out its mandate, it must be properly resourced. The General Assembly, in its resolution 71/302, had not approved resources for MINUJUSTH for the 2017/18 period, in the expectation that the Secretary-General would submit a budget for

the Mission for the period from 16 October 2017 to 30 June 2018 at the main part of its seventy-second session. The Controller had sought the concurrence of the Advisory Committee to enter into commitments in the amount of \$29,280,700 to meet the preliminary resource requirements for start-up activities of MINUJUSTH. The Advisory Committee had authorized the Secretary-General to enter into commitments for up to \$25 million, and the current budget proposal took that amount into consideration.

9. An adequate level of resources should be provided for programmatic activities in order to strengthen the peacebuilding agenda. CELAC was committed to promoting sustainable peace and development in Haiti through MINUJUSTH, which was mandated to assist the Government in strengthening the rule of law, supporting the Haitian national police and advancing human rights through monitoring, reporting and analysis. In addition to support from the United Nations, Haiti received technical, humanitarian and medical assistance through bilateral channels and from regional organizations. The gains achieved by MINUSTAH, particularly in the area of security, must be protected by ensuring that MINUJUSTH had the resources it required.

10. Given that Haiti remained vulnerable to humanitarian disasters, health crises and other social problems, it was important for the United Nations to maintain its presence in the country and continue its support. The Mission's budget should be based on technical criteria, including the situation on the ground and the mandate approved by the Security Council, rather than on artificial budget ceilings.

11. **Ms. Mills** (Jamaica), speaking on behalf of the Caribbean Community (CARICOM), said that CARICOM was fully committed to helping Haiti to achieve sustainable peace, stability and development. The United Nations provided critical support through the country team and MINUSTAH, which had helped to reduce community violence, improve the implementation of human rights mechanisms, strengthen the rule of law, expand access to justice and restore democratic order. MINUJUSTH must be adequately resourced so that it could fulfil its mandate and consolidate the gains achieved by MINUSTAH.

12. The resource requirements for MINUJUSTH for the financial period from 16 October 2017 to 30 June 2018 had been linked to the Mission's objective through results-based-budgeting frameworks, organized according to components: security and stability; political and rule of law; human rights; and support. CARICOM welcomed the emphasis placed on

strengthening national capacities and national ownership of electoral processes, providing support to victims of sexual exploitation and abuse, and building the capacity of the Haitian national police. CARICOM also welcomed the proposal to implement 30 quick-impact projects to meet minor infrastructure and equipment needs of the justice and security institutions, such as local police and court facilities. It would be important to respect international codes and standards in the implementation of those projects and ensure the long-term use and maintenance of the facilities and equipment.

13. The commitment authority for MINUSTAH for the six-month period until 31 December 2017 had not included any provisions for the community violence reduction programme, which played a vital role in promoting peace and supporting the work of the Haitian national police. The Secretary-General should take steps to ensure the effective completion of the programme in 2018. The budget of MINUJUSTH should be based on the situation on the ground and the mandate approved by the Security Council, not artificial budgetary ceilings.

14. **Mr. Sandoval Mendiola** (Mexico) said that the establishment of MINUJUSTH reaffirmed the continued commitment of the United Nations and the international community to strengthening the rule of law and national institutions and fostering sustainable peace and development in Haiti. MINUJUSTH would advance the protection of human rights and strengthen public institutions and the operational capacities of the Haitian national police, thereby improving public safety. With MINUJUSTH, the United Nations had an opportunity to demonstrate its capacity to build sustainable peace, with a view to achieving the Sustainable Development Goals, in particular Goal 16 on building peaceful societies and providing access to justice for all.

15. The United Nations country team, MINUJUSTH and the Government of Haiti should work together in an efficient and transparent manner. The Mexican armed forces had supported the work of MINUSTAH for two years and Mexico would continue to assist MINUJUSTH through the provision of police personnel. Mexico would also continue to participate in the Ad Hoc Advisory Group on Haiti and regional, subregional and bilateral cooperation initiatives.

16. **Ms. Domínguez** (Chile) said that the support of the United Nations and Member States was critical for Haiti. Her delegation agreed with the Secretary-General on the need to ensure a responsible transition to MINUJUSTH, anchored in the achievements of the previous 13 years and the commitment of the

international community. The link between security and development as a means of achieving sustainable peace remained fundamental. The programmatic activities must continue in order to support the mandate of MINUJUSTH, which was intended to strengthen the rule of law and consolidate peace. In order to preserve the gains of MINUSTAH through an effective transition to MINUJUSTH, the Committee must ensure the predictable, flexible and efficient provision of resources, taking into account the situation on the ground and the need to avoid security gaps.

17. **Ms. Babio** (Argentina) said that her delegation acknowledged the advances made in the transition from MINUSTAH to MINUJUSTH, particularly regarding the implementation of the mandate of MINUJUSTH to strengthen rule of law institutions, support the Haitian national police and promote and protect human rights. While Security Council resolution 2350 (2017) set out a projected two-year timeframe for MINUJUSTH, the duration of the Mission would ultimately depend on the situation on the ground. Withdrawing prematurely from the country could jeopardize the gains of the previous 13 years.

18. Quick-impact projects should be implemented as part of MINUJUSTH. Such projects had benefited millions of people during the fiscal year 2016/17, financing activities related to the rule of law, governance, infrastructure and drinking water. Quick-impact projects and community violence reduction programmes played an important role in consolidating peace and fostering trust between the people of Haiti and the United Nations.

19. **Mr. Fermín** (Dominican Republic) said that MINUJUSTH had been established to consolidate the advances achieved in Haiti in terms of strengthening institutions, democracy and the rule of law, developing the police and promoting human rights, in order to ensure that the Government was in a position to assume its full responsibilities. MINUSTAH had improved political stability and reduced insecurity in the country, which would facilitate coordinated efforts to address the challenges that lay ahead. Haiti had demonstrated its commitment to further improving political stability, as evidenced by the reforms spearheaded by President Jovenel Moïse under the "Caravan of change" platform.

20. The Dominican Republic would continue to support Haiti in its efforts, with a view to promoting bilateral dialogue and cooperation. The authorities of the Dominican Republic would continue to meet with their Haitian counterparts to share details of the programmes implemented in the Dominican Republic to stimulate economic growth and tourism through the

adoption of new technologies, and to improve disaster preparedness through national capacity-building. His delegation supported the Secretary General's resource proposals. It was particularly important to provide funding for quick-impact projects and the community violence reduction programme. The Dominican Republic supported the vision of the Haitian authorities for a peaceful, just, stable and prosperous Haiti.

Agenda item 136: Proposed programme budget for the biennium 2018–2019 (continued)

Programme budget implications of draft resolution A/C.3/72/L.48: Situation of human rights in Myanmar (A/72/7/Add.33; A/C.5/72/13)

Programme budget implications of draft resolution A/72/L.19: Investigation into the conditions and circumstances resulting in the tragic death of Dag Hammarskjöld and of the members of the party accompanying him (A/72/7/Add.32; A/C.5/72/19)

Estimates in respect of special political missions, good offices and other political initiatives authorized by the General Assembly and/or the Security Council (continued)

Thematic cluster III: regional offices, offices in support of political processes and other missions (continued)

United Nations Support Mission in Libya (A/72/7/Add.18 and A/72/371/Add.8)

Limited budgetary discretion (A/72/7/Add.30 and A/72/497)

21. **Mr. Huisman** (Director, Programme Planning and Budget Division), introducing the statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly of the programme budget implications of draft resolution A/C.3/72/L.48: Situation of human rights in Myanmar (A/C.5/72/13), said that the General Assembly, in its draft resolution A/C.3/72/L.48, had requested the Secretary-General to continue to provide his good offices and to pursue his discussions relating to Myanmar, and in that regard to appoint a special envoy on Myanmar and to offer assistance to the Government of Myanmar. Pursuant to that request, it was estimated that additional requirements in the amount of \$1.5 million would arise for 2018 under section 3, Political affairs, of the proposed programme budget for 2018–2019.

22. Introducing the statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly of the programme budget implications of draft resolution A/72/L.19: Investigation into the conditions and circumstances resulting in the tragic death of Dag Hammarskjöld and of the members of the party accompanying him (A/C.5/72/19), he said that the General Assembly, in its draft resolution A/72/L.19, had requested the Secretary-General to continue to review the potential new information, including that which might be available from Member States, to assess its probative value, to determine the scope that any further inquiry or investigation should take, and, if possible, to draw conclusions from the investigations already conducted. In addition, it had requested the Secretary-General to provide an oral briefing on any progress made. To implement those requests, additional requirements in the amount of \$357,300 would arise under section 1, Overall policymaking, direction and coordination, and section 2, General Assembly and Economic and Social Council affairs and conference management, of the proposed programme budget for the biennium 2018–2019, and would represent a charge against the contingency fund.

23. Introducing the report of the Secretary-General on estimates under cluster III for the United Nations Support Mission in Libya (UNSMIL) (A/72/371/Add.8), he said that the resource requirements for UNSMIL for 2018 amounted to \$72.2 million, an increase of \$11 million compared to the approved resources for 2017. The proposed budget reflected increases under facilities and infrastructure, attributable mainly to the higher contractual rent of the UNSMIL compound in Tripoli and the planned establishment of an office in eastern Libya, and under military contingent personnel, as a result of the expected full deployment of the United Nations Guard Unit by the end of 2017. The Secretary-General proposed that the amount of \$72.2 million should be charged against the provision for special political missions included under section 3, Political affairs, of the proposed programme budget for 2018–2019.

24. Introducing the report of the Secretary-General on limited budgetary discretion (A/72/497), he said that the proposal regarding the continuation of the discretionary mechanism, as set out in General Assembly resolution 60/283, for the biennium 2018–2019 would be subject to the Assembly's decision on the management reform proposals, as the Secretary-General had made further recommendations regarding budgetary discretion mechanisms in that context. If approved by the

Assembly, those further proposals would become effective for the biennium 2018–2019.

25. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's report on the programme budget implications of draft resolution A/C.3/72/L.48: Situation of human rights in Myanmar (A/72/7/Add.33), said that the estimated resource requirements for the Office of the Special Envoy on Myanmar for 2018 amounted to \$1,541,100. The Advisory Committee recommended an appropriation of \$853,800, a reduction of \$687,300. The resource requirements for field-based staff and field-based operational costs in 2018 should be recalculated using standard rates for Bangkok rather than those for New York, and standard budgetary policy on vacancy rates should be followed. The Advisory Committee was of the view that the report of the Secretary-General should have provided detailed information on major budgetary assumptions used in the preparation of cost estimates and trusted that such information would be included in the budget submission for 2019. The Advisory Committee recommended reductions in staffing both in the field and in New York, as well as a reduction in the resources for consultants.

26. Introducing the Advisory Committee's report on the programme budget implications of draft resolution A/72/L.19: Investigation into the conditions and circumstances resulting in the tragic death of Dag Hammarskjöld and of the members of the party accompanying him (A/72/7/Add.32), he said that based on the pattern of expenditure for 2016–2017, and taking into account the activities to be implemented in 2018–2019, the Advisory Committee recommended that the proposed requirements should be reduced by 10 per cent (\$35,730).

27. Introducing the Advisory Committee's report on estimates under cluster III for the United Nations Support Mission in Libya (A/72/7/Add.18), he said that the Advisory Committee recommended that the staffing proposals for UNSMIL should be approved, with the exception of the position of Senior Political Affairs Officer (P-5) in the Department of Political Affairs. As a matter of overall policy, the continuing requirement for posts that had been vacant for two years or longer should be reviewed and their retention justified; accordingly, the Advisory Committee recommended the abolishment of three positions. The Secretary-General should undertake further efforts to strengthen the Mission's national staffing complement by nationalizing positions once the Mission had begun the process of establishing its rotational presence in and final relocation to Libya.

28. With regard to operational costs, the proposal for additional resources for consultants did not appear justified, given the security situation in Libya and the proposed change of duty station from Tripoli to Tunis of 119 positions. The Advisory Committee therefore recommended maintaining the resources for consultants at the level of the approved budget for 2017. The Advisory Committee was concerned that the costs of maintenance services might not be fully justified and recommended that, prior to the expiration of the existing rental contract, a review of the contractual provisions, based on the needs of UNSMIL, should be conducted. The Advisory Committee also noted the need for the Mission to keep the ground transportation requirements under review, given the gradual phased rotational return of the Mission to Libya. With regard to information technology, the Advisory Committee recommended a reduction in the amount of \$25,700. The Advisory Committee had made comments and recommendations on official travel in its main report on special political missions (A/72/7/Add.10).

29. Introducing the Advisory Committee's report on limited budgetary discretion (A/72/7/Add.30), he said that the discretionary mechanism had been utilized on nine occasions during four bienniums (2006–2007, 2008–2009, 2010–2011 and 2016–2017), and had not been used during the bienniums 2012–2013 and 2014–2015. Only \$455,300 had been utilized under the mechanism over the past three bienniums, while the sole discretionary authority granted to the Secretary-General amounted to \$6 million per biennium. The ceiling for the mechanism of \$20 million within a given biennium, to be used by the Secretary-General with the concurrence of the Advisory Committee, had never been reached since the experimental mechanism had first been approved.

30. The General Assembly, in its resolution 70/248, had requested a comprehensive justification for the retention of the discretionary mechanism beyond 2016–2017. It was regrettable that no such justification had been provided in the Secretary-General's report (A/72/497). According to the report, the Secretary-General's proposal regarding the continuation of the discretionary mechanism for the biennium 2018–2019 would be subject to the Assembly's decision on his management reform proposals. The related recommendations of the Advisory Committee were contained in paragraphs 67 and 68 of its report on the proposed management reforms of the Secretary-General (A/72/7/Add.24).

31. **Ms. Khyne** (Myanmar) said that pursuant to paragraph 10 of draft resolution A/C.3/72/L.48, in which the General Assembly called for the appointment

of a special envoy on Myanmar, it was estimated that additional requirements in the amount of \$1.5 million would arise for 2018. Myanmar consistently opposed all country-specific resolutions of the Third Committee, as they created overlapping mandates and resulted in additional budget implications. Her delegation had voted against the draft resolution because it was selective, discriminatory and politically motivated, and was intended to exert unwarranted political pressure on Myanmar.

32. She recalled that there was already a Special Rapporteur on the situation of human rights in Myanmar, whose mandate had been established pursuant to Commission on Human Rights resolution 1992/58 and extended annually. Human Rights Council resolution 31/24 had broadened the mandate of the Special Rapporteur to include identifying benchmarks for progress and priority areas for technical assistance and capacity-building. In addition, an Independent International Fact-Finding Mission on Myanmar had been established in May 2017, pursuant to Human Rights Council resolution 34/22.

33. Her delegation had always cooperated fully and constructively with the United Nations in a spirit of mutual respect. A political mission established without the consent or cooperation of the country concerned would not yield positive results. The United Nations should focus its limited resources on alleviating poverty and promoting development in developing countries around the world, with a view to achieving the Sustainable Development Goals and leaving no one behind.

34. **Mr. Nfati** (Libya) said that his delegation welcomed the work of UNSMIL in implementing the Libyan Political Agreement that had been signed in Skhirat, Morocco, and was intended to reduce divisions among political parties. His delegation hoped that UNSMIL would be allocated sufficient financial resources to enable it to carry out its mandate. His delegation supported the nationalization of positions in the Mission and hoped that the security situation in Libya would improve so that all UNSMIL staff could return to Tripoli, with a view to ensuring that UNSMIL achieved its mandate and that the Government of National Accord could successfully manage the transition.

The meeting rose at 11.15 a.m.

**General Assembly**

Seventy-second session

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Fifth Committee**Summary record of the 27th meeting**

Held at Headquarters, New York, on Tuesday, 19 December 2017, at 10 a.m.

Chair: Mr. Tommo Monthe (Cameroon)
Chair of the Advisory Committee on Administrative
and Budgetary Questions: Mr. Ruiz Massieu

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The meeting was called to order at 10 a.m.

Agenda item 136: Proposed programme budget for the biennium 2018–2019 (continued)

*Enterprise resource planning project
(A/72/7/Add.31, A/72/157 and A/72/397)*

1. **Ms. Beagle** (Under-Secretary-General for Management), introducing the ninth progress report on the enterprise resource planning project (A/72/397), said that Umoja was an important transformative initiative for the Secretariat. Although all enterprise resource planning projects were challenging at the beginning, significant progress had been made on Umoja in recent years and it had become a part of the daily routine of much of the Secretariat staff.

2. Umoja was a key enabler of important strategic reform initiatives, such as the International Public Sector Accounting Standards (IPSAS) and the information and communications technology strategy, and was poised to support other initiatives such as enterprise risk management, the global service delivery model and the internal control framework. It would also be an important enabler of the Secretary-General's management reforms, since it would simplify processes, improve responsiveness and enable the decentralization of authority through the accompanying monitoring and oversight. The Umoja project was a major priority for the Department of Management; all its offices and the Umoja team were working closely with partners in other departments at Headquarters and in regional commissions and field missions.

3. In its sixth annual progress report on the project (A/72/157), the Board of Auditors acknowledged that implementing Umoja globally for more than 40,000 staff in 400 locations was a significant achievement, especially considering the project's complexity and difficult start. The Board observed that Umoja remained central to the successful reform and modernization of the administration of the United Nations and had the potential to generate major benefits for the Organization and for Member States.

4. Umoja had replaced hundreds of legacy systems, streamlined, integrated and automated many processes, enabled self-service for staff and managers, and provided real-time visibility to global data. By standardizing processes, it had paved the way for better client service and transaction support. Nearly a third of Umoja's scope would be delivered through Umoja Extension 2, including capabilities in important areas such as strategic planning, budget formulation and performance management, conference and event management, and reimbursements to troop- and

police-contributing countries. The strategic planning and performance management capability was a key enabler of the Secretary-General's proposals for increasing transparency and accountability for results. The budget formulation module would also strengthen support for the legislative review of budgets. Umoja Extension 2 would enrich the real-time global information that was becoming increasingly available as the Secretariat learned to leverage the capabilities of Umoja.

5. The ninth progress report responded to requests by the General Assembly in its resolution 71/272. Section V of the report (A/72/397) highlighted the evolution of the business case for Umoja since 2006, with an emphasis on the qualitative benefits that had underpinned the original business case and the quantitative benefits, including the challenges in measuring pre- and post-Umoja performance. The Board of Auditors had acknowledged that the bottom-up approach to measuring benefits was an improvement on the earlier approach. More needed to be done, however, to articulate the benefit realization plans and demonstrate the link between resource proposals and Umoja efficiencies.

6. Considerable effort had been invested in developing and presenting a historical analysis of direct costs by activities since 2008, an inventory of indirect costs by deployment since the first pilot in 2013, an estimate of the cost of training for end users and an analysis of the total cost of ownership through 2030. The provision of that information addressed concerns expressed by the external auditors, the Advisory Committee on Administrative and Budgetary Questions and the General Assembly; the analyses could be further refined if needed.

7. In the year covered by the progress report, seven deployments of differing complexity had been completed successfully. In November 2016, Umoja Extension 1 had been deployed to some 12,000 national staff and 8,000 uniformed personnel in 38 peacekeeping and special political missions. The deployment had been remarkably smooth, in contrast to earlier deployments. Changes to the International Civil Service Commission compensation package had been rolled out incrementally in November 2016, January 2017 and September 2017. The financial statements module had been rolled out in February 2017 for non-peacekeeping operations, and in August 2017 for peacekeeping operations, marking another milestone in the progress towards using Umoja as the backbone for IPSAS compliance. In September 2017, phase I of supply chain management had gone live, and the Galileo system had then been decommissioned in peacekeeping and special

political missions. The migration of equipment, inventory and other asset information from Galileo to Umoja had been complicated, but the excellent collaboration across the Secretariat had ensured a smooth deployment. The downward trend in reported problems and support requests indicated that Umoja was stabilizing. Managers had been given greater capacity to monitor the training of their staff and attention had now shifted to continuous improvements. A new analytical capability had been created for detecting, diagnosing and resolving problems and a good baseline had been established for accurately measuring efficiencies.

8. A strong and dedicated business transformation function would be the key to refining business models and practices, and sustaining Umoja benefits through a continuous improvement programme. There were challenges to be addressed, however, mainly in business intelligence and reporting. Since users were not yet fully leveraging the system's potential, strengthening capacity for generating standard reports and dashboards and creating a function to support users with data extraction and analysis had been set as priorities. In addition, building on the plan for reprofiling resources that the General Assembly had approved in 2016, significant effort had gone into making the project self-sufficient in supporting all functionalities deployed so far and building technical expertise for the new software modules needed for Umoja Extension 2. A lot had also been invested in training and contractual resources had been reduced significantly.

9. The report described the progress and status of each of the Umoja Extension 2 work streams. Bearing in mind the General Assembly's direction to mitigate change management risks, the Department had modified the deployment schedules on the basis of dependencies among the projects and feedback from business entities. While all the software would be developed, tested and deployed by the end of 2018, some functionalities would be deployed in phases in 2018 and 2019 to mitigate risks and costly post-deployment support.

10. The resource requirements for the project for the biennium 2018–2019, previously estimated at \$77.8 million, had been revised slightly downward to \$77,578,200, of which 15 per cent would be financed from the regular budget, 62 per cent from the support account for peacekeeping operations and 23 per cent from extrabudgetary resources. The costs of the project had been contained, the dependence on contractors had been reduced and a larger number of young staff members had been included in teams. The report presented a proposal to continue the reorganization endorsed by the General Assembly, by abolishing

13 senior posts and creating 7 junior posts in order to create a sustainable team for the future.

11. The Secretariat was developing a sustainable platform for delivering on the potential of Umoja to transform the Organization. To do so, it needed the continuing support of the General Assembly to leverage Umoja in order to modernize the Organization's business practices and enhance transparency and accountability.

12. **Mr. Bajaj** (Chair of the Audit Operations Committee of the Board of Auditors), introducing the sixth annual progress report of the Board of Auditors on the implementation of the United Nations enterprise resource planning system (A/72/157), said that Umoja Integration (Foundation and Extension 1 functionality) had now been deployed to five clusters with over 40,000 users, operating from more than 400 locations. Cluster 5 had been deployed in November 2016. The Administration had indicated that 35,596 of the 40,694 Umoja users had been trained, including 32,240 who had received training in multiple courses, which implied that 12 per cent of the total Umoja users had not received any training. The issues raised by cluster 3 and 4 entities had been harmonized into a set of 67 recommendations. On the basis of the information received from the Umoja team, as at February 2017, 13 recommendations were still in the process of implementation.

13. The stabilization of business reporting was another issue that required attention. Umoja currently provided 172 standard corporate formatted and ad hoc reports, and power users had produced 2,753 reports. In 2016, the Umoja team had begun a phased transition of responsibilities of business intelligence reporting from the Umoja project to the Office of Information and Communications Technology as part of the mainstreaming of project functions. The Office had conducted bilateral workshops with each entity to identify and develop key additional reports, and had identified a requirement of more than 700 reports.

14. The Administration had engaged an external consultant to carry out an assurance project to identify and analyse areas of risk that might affect the immediate and long-term value of Umoja to the Organization. The Board observed that the consultant had identified, in 2015, the operating model risks, the impact of the risks and the mitigating actions, and had indicated that the benefits of Umoja would not be realized unless those risks were addressed. However, action on the recommendations of the consultant's study was still under way.

15. The total cost of ownership was the sum of the direct and indirect costs, wherein the indirect costs were

composed of people time (hours) of departments and entities for Umoja deployment and support, including legacy data cleansing, enrichment and training. The cost of development (capital expenditure) of Umoja was borne under the Umoja project, while maintenance and support costs (revenue expenditure) were borne by the Office of Information and Communications Technology. The Umoja project team had not yet assessed the exact total cost of ownership and had stated that, while the direct costs could be easily quantified, the quantification of the indirect costs had been challenging, as time sheets had not been maintained for staff of the United Nations Secretariat.

16. Until the budget for the biennium 2016–2017, a top-down approach had been adopted, according to which the heads of department had quantified benefits on the basis of the overall savings to be made. The Administration had stated that, from the budget for the biennium 2018–2019, a bottom-up approach with the involvement of the business process owners had been adopted, involving a review of the areas of the original benefits case as to their continuing validity and applicability and the quantification of the projected benefits in the updated business case from process owners in the fields of human resources, central support services, finance, logistics and supply chain and information technology. The budget for 2018–2019 to be presented to the General Assembly would be based on those projections. The Board noted that the bottom-up approach was an improvement on the previous top-down approach.

17. Of the 18 pending recommendations from the Board's previous reports, 4 had been fully implemented, 12 were under implementation and 2 had not been implemented.

18. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/72/7/Add.31), said that the Advisory Committee noted that the activities proposed for implementation during the reporting period had been delivered and welcomed the progress made towards completion of the full deployment of the Umoja Foundation and Umoja Extension 1 functionalities.

19. The full scope of Umoja must be implemented in order to realize the benefits of the Umoja solution and protect the investment already made by Member States. Umoja Extension 2 comprised some of the more strategic functions, including planning and programming, budget formulation and supply chain management. The poor coverage of such functions under the previous systems had led to the decision to shift to

an enterprise resource planning system. The timeline for the full deployment of Umoja Extension 2 would be extended until 2019, with completion of the design, build and test activities for all the projects in 2018, deployment in 2018 and 2019, and stabilization of the system in 2019.

20. With regard to qualitative benefits, the Advisory Committee had requested that additional details on the improvements by functional area should be provided to the General Assembly at the time of its consideration of the Advisory Committee's report. With regard to quantitative benefits and the updated benefits case, the Advisory Committee noted the comments of the Board of Auditors on the bottom-up approach, as well as its recommendation that, in the future, new baseline information should be established on the basis of Umoja transaction or workflow timestamps. The Advisory Committee also reiterated the observations and recommendations made on the quantitative benefits of Umoja in its first report on the proposed programme budget for the biennium 2018–2019 (A/72/7) and signalled its intention to request the Board of Auditors to validate those quantitative benefits in its next audit.

21. With respect to direct costs, while noting that the information provided on expenditures by project phase from 2008 to 2017 represented an improvement, the Advisory Committee reiterated its earlier request for detailed information on annual expenditures by category of expenditure and related outputs. The Advisory Committee welcomed the efforts to estimate, for the first time, the indirect costs of the project as well as the total cost of ownership of Umoja, and recommended that the General Assembly should request the Secretary-General to include updated and refined information on indirect costs and total cost of ownership in future progress reports.

22. On project staffing, the Advisory Committee welcomed the efforts made to strengthen in-house capacity as well as the proposals for restructuring and downsizing the Umoja project team. It would be important to retain skilled personnel within the project team and maintain the strong authority and leadership structures required in order to deliver a complex business transformation such as Umoja.

23. The Advisory Committee was of the view that the Secretary-General's report (A/72/397) did not provide a detailed breakdown of the expenditures incurred in 2016–2017 and provided few details on the proposed resource requirements of \$81.9 million for 2018–2019, which included additional requirements of \$77.6 million to be approved by the General Assembly. The Advisory Committee therefore recommended that the

Secretary-General should be requested to provide detailed information on the proposed requirements and expenditures for the project in his next progress report. Pending consideration of the next progress reports of the Secretary-General and the Board of Auditors, the Advisory Committee recommended that the level of the additional proposed resources for the biennium 2018-2019 should be reduced by 20 per cent, from \$77.6 million to \$62.1 million.

24. **Ms. Pereira Sotomayor** (Ecuador), speaking on behalf of the Group of 77 and China, said that the Group reaffirmed its support for management reform initiatives aimed at increasing the efficiency and effectiveness of the Organization. The implementation of the Umoja Foundation and Extension 1 functionalities brought the Organization a step closer to replacing fragmented business processes and information systems with a common integrated system.

25. The findings of the user satisfaction survey conducted by the Board of Auditors were, however, a cause for concern. In the survey, 15 per cent of the respondents had reported that they were very confident and 69 per cent somewhat confident of using Umoja, while 66 per cent had said they were somewhat or mostly ready at the time of the implementation of Umoja. In addition, only 46 per cent of the respondents felt that the timing of training had been just right, while 54 per cent felt either that there had not been enough time after training or that the training had been carried out too early before deployment. In addition, 56 per cent of the respondents felt that they had been adequately trained, while 44 per cent said that they had received training but could not understand Umoja. Moreover, the figures provided by the Administration indicated that 12 per cent of Umoja users had not received any training. The Group trusted that the Administration would correct those weaknesses and deficiencies and fully utilize the implemented functionalities, in order to provide transparent management of organizational human and physical resources, bring together previously disconnected people and departments, support decision-making with more robust data, streamline business processes and increase transparency on costs and the utilization of resources.

26. The Group was seriously concerned by the proposal to extend the timeline for the full implementation of Umoja Extension 2 until 2019. In its resolution 71/272 A, the General Assembly had requested the Secretary-General to implement the full scope of the project as set forth in the eighth progress report (A/71/390), without further delay and cost escalation. The original timeline and budget approved in 2008 had envisaged deploying Umoja by the end of

2012 at a cost of \$248.3 million. However, the implementation plans had been substantially revised subsequently, increasing the proposed budget by the biennium 2018-2019 to \$543.96 million, more than double the original budget, and extending the completion date from 2012 to 2018. The Group urged the Secretary-General to manage the project more strictly and take proactive measures to avoid further slippages and delays.

27. Given that a software upgrade had to be implemented by 2020 to ensure continued support for the system by the software vendor and that the availability of skilled resources for testing was likely to be a challenge, the Group concurred with the Advisory Committee that effective project planning and management were needed in order to ensure that the upgrade could be implemented without disruption and delays to the Umoja Extension 2 project.

28. The General Assembly, in its resolutions 69/274 A, 70/248 A and 71/272 A, had requested the Secretary-General to accelerate the development of a benefit realization plan, taking into account the relevant recommendations of the Board of Auditors. The Secretariat had responded with a bottom-up approach but had failed to provide data for comparing pre- and post-implementation time savings. The Group agreed with the Advisory Committee that the revised Umoja business case should reflect actual efficiencies and benefits achieved rather than artificial efficiencies, and that there was a need to establish clear and transparent records of the realization of qualitative and quantitative benefits, including the impact of Umoja on the staffing and resource requirements of individual offices and departments. A robust business case must be made for the Umoja project, one of the largest and most expensive business transformation initiatives undertaken by the Organization.

29. The Group would be interested in learning more about the Secretary-General's plans to strengthen in-house capacity and expertise on Umoja, and to restructure the Umoja team and ensure the transfer of knowledge from consultants to staff with the aim of reducing the dependency on and resource requirements for contractual services.

30. The Group took note of efforts to estimate the indirect costs of the project as well as the total cost of ownership, but remained disappointed that little progress had been made in responding to the General Assembly's repeated requests for detailed accounting of the indirect project costs absorbed by departments, or to conduct an analysis of the total cost of ownership of the Umoja project. Disclosure of the total cost was crucial

to the informed decision-making of the Assembly. It was also important to achieve a more refined analysis of project expenditures and deliverables. Operating, maintenance and support costs should be included in the project budget and transparently reflected in the analysis of total costs of ownership. In that connection, the Group emphasized the importance of project governance and the need for complete, transparent, and holistic accounting for the resources committed by Member States.

31. The Group looked forward to discussing the proposal for the implementation of Umoja Extension 2, taking into account lessons learned from the previous phases of the project. Particular attention should be paid to organizational readiness, strong project management and proactive measures to address challenges and risks inherent in the ambitious implementation schedule.

32. The Group questioned the rationale of proposing another substantial increase in the project budget in the absence of full transparency regarding total project costs and a business case that reflected the actual efficiencies and benefits achieved. It was in the Organization's best interests to deliver the full scope of the Umoja project as approved by the General Assembly in its resolution 63/262, so as to protect the considerable investment already made by Member States and realize the full qualitative and quantitative benefits of the project.

33. **Mr. Hyndrak** (Observer for the European Union), speaking also on behalf of the candidate countries Albania, Serbia and the former Yugoslav Republic of Macedonia; the stabilization and association process country Bosnia and Herzegovina; and, in addition, Georgia and the Republic of Moldova, said that European Union member States were strong supporters of an enterprise resource planning solution that would modernize business processes and systems crucial to the efficient, effective and transparent management of the Organization. They welcomed the considerable progress made in addressing issues, including efforts to improve the project's management, quantify the total cost of ownership and enhance the presentation of quantitative and qualitative benefits.

34. The European Union attached considerable importance to the full implementation of Umoja Extension 2, which included some of the most important and promising functionalities, including supply chain management, budget formulation, programme management, conference and event management, and force planning. The quality of data available on the range of Secretariat activities in Umoja Extension 2 had the potential to assist the Secretariat and Member States in their future decision-making.

35. **Mr. Bin Salleh** (Singapore) said that his country appreciated the benefits that could be reaped from a modern, integrated, and fully functioning information and communications technology system, particularly for an organization as large and complex as the United Nations. Umoja had the potential to improve the functioning of the Organization by providing business intelligence tools and improving accountability. Singapore also welcomed the progress made thus far, including the implementation of Umoja globally across more than 400 locations and the steady decline in Umoja-related incidents. He encouraged the Secretariat to build on that momentum and ensure that the lessons learned were taken into account to prevent further delays, cost escalation and other risks.

36. Some issues with the Umoja project required urgent attention. The General Assembly had repeatedly reiterated the need to eliminate cost overruns and improve project management to prevent further delays. Nevertheless, the project had originally been proposed for completion by 2012, yet its completion date would soon be revised to 2019. Moreover, the Secretary-General's resource request for the forthcoming biennium would bring the total cost to almost \$540 million, more than double the original estimate of \$248 million.

37. Given the significant investment already made by the Member States, he urged the Secretary-General to provide the Assembly with an accurate picture of the total cost of ownership of the Umoja project. The ability to provide accurate information on the implementation costs would reflect the strength of the project's governance. He also recalled the importance of ensuring accountability and transparency and of articulating the qualitative and quantitative benefits of Umoja in a realistic, clear and transparent manner. Singapore continued to support initiatives that improved the Organization's effectiveness, accountability, and transparency; it was regrettable that there was little time at the current session for a full discussion of the issues at stake.

38. **Ms. Norman-Chalet** (United States of America) said that the Umoja project was an integral part of management reform, which involved reworking the administration of the Secretariat in terms of business processes and information technology solutions. Umoja was a necessary tool for addressing the complex global operations of the United Nations and should help the Organization to become more transparent and accountable not only to Member States but also to the people around the world who benefited from its operations. The United States appreciated the progress made so far on the project, including the recent

decommissioning of the old Galileo supply chain management software. Commendable efforts had been made to reduce the operational costs and achieve the quantitative and qualitative benefits of Umoja outlined in the Secretary-General's progress report (A/72/397). There was still much work to be done and it remained imperative to achieve the objectives of the project.

39. After the implementation of the full scope of Umoja, scheduled for December 2018, there would be a continued need for strong risk management and a highly skilled workforce, a need that could be met through advanced technical training. The Secretariat should pay particular attention to ensuring that Umoja would remain a catalyst for business transformation beyond 2018 and that there would be a smooth transition from Umoja deployment to post-implementation operations.

Programme budget implications of draft resolution A/72/L.9: Modalities for the Intergovernmental Conference to Adopt the Global Compact for Safe, Orderly and Regular Migration (A/72/7/Add.34 and A/72/7/Add.34/Corr.1; A/C.5/72/17)

40. **Ms. Bartsiotas** (Controller), introducing the statement submitted by the Secretary-General, in accordance with rule 153 of the rules of procedure of the General Assembly, of the programme budget implications of draft resolution A/72/L.9: Modalities for the Intergovernmental Conference to Adopt the Global Compact for Safe, Orderly and Regular Migration (A/C.5/72/17), said that the Secretary-General proposed additional resources in the amount of \$668,500 for the provision of general temporary assistance, meeting services, documentation and public information. Those additional resources would be reflected under section 1, Overall policymaking, direction and coordination, section 2, General Assembly and Economic and Social Council affairs and conference management, and section 28, Public information, of the proposed programme budget for the biennium 2018–2019, and would represent a charge against the contingency fund.

41. The estimates were based on the cost of holding the conference in New York. If the conference was held in Morocco, pursuant to paragraph 4 of the draft resolution, the Government of Morocco would need to defray the additional costs in accordance with General Assembly resolution 40/243, which stipulated that United Nations bodies could hold sessions away from their established headquarters when a Government issuing an invitation for a session to be held within its territory had agreed to defray the actual additional costs directly or indirectly involved.

42. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/72/7/Add.34 and A/72/7/Add.34/Corr.1), said that the reductions recommended by the Advisory Committee pertained to webcasting services and to the proposed Administrative Assistant position, for which the Advisory Committee recommended the application of a higher vacancy rate. The Advisory Committee recommended that the Fifth Committee should inform the General Assembly of the budget implications during its consideration of the draft resolution.

43. **Ms. Pereira Sotomayor** (Ecuador), speaking on behalf of the Group of 77 and China, said that the Group appreciated Member States' contributions to United Nations events, such as conferences and summits, and welcomed the decision by the Government of Morocco to host the Intergovernmental Conference. The Group also welcomed the support provided by the Secretariat, the cooperation with relevant bodies of the United Nations system and the synergies derived from interagency cooperation. Given the importance of the topic, the Group supported the request for an additional appropriation. Providing the required resources, with due consideration of the Advisory Committee's recommendations, would guarantee a balanced approach to the funding of the Conference.

Agenda item 147: Financing of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 (A/72/5/Add.14, A/72/603 and A/72/654)

Agenda item 148: Financing of the International Residual Mechanism for Criminal Tribunals (A/72/5/Add.13, A/72/5/Add.15, A/72/396, A/72/396/Corr.1, A/72/604, and A/72/654)

44. **Ms. Bartsiotas** (Controller), introducing the Secretary-General's second performance report on the budget of the International Tribunal for the Former Yugoslavia for the biennium 2016–2017 (A/72/603), said that the report provided an estimate of the anticipated final level of expenditure, taking into account changes in parameters for inflation and exchange rates compared with the assumptions made in the first performance report for the biennium (A/71/578), which had formed the basis for the revised appropriation and estimate of income for the biennium. The anticipated final level of expenditure amounted to \$105.8 million, including staff assessment, reflecting an increase of \$7.7 million. The increase was the result of

increases related to post and non-post resources, mainly due to the planned closure of the Tribunal in December 2017, including end-of-service payments, such as repatriation grant and travel, annual leave commutation and termination indemnity. The anticipated level of income for the biennium 2016–2017 amounted to \$12.6 million, reflecting an increase of \$1.4 million. The combined effect of the anticipated final level of expenditure and income amounted to an increase of \$6.3 million. The General Assembly was requested to approve the final appropriation for the biennium 2016–2017 of \$105.8 million.

45. Introducing the second performance report on the budget of the International Residual Mechanism for Criminal Tribunals for the biennium 2016–2017 (A/72/604) and the proposed budget for the biennium 2018–2019 (A/72/396 and A/72/396/Corr.1), she said that the report provided an estimate of the anticipated final level of expenditure for the Mechanism for the biennium 2016–2017, taking into account changes in parameters for inflation and exchange rates compared with the assumptions made in the first performance report (A/71/579). The anticipated final level of expenditure for the Mechanism for the biennium 2016–2017 amounted to \$131,966,100, reflecting a decrease of \$3,781,600, resulting from the strengthening of the dollar against the euro and the Tanzanian shilling, lower inflation, and decreases related to post and non-post resources. The proposed budget requirements for the Mechanism for the biennium 2018–2019 amounted to \$215 million, reflecting an increase of \$79 million. The proposal included a total of 176 posts and other staffing requirements for ad hoc functions. The increase was mainly due to expanded judicial activity for a retrial of two high-level accused persons, two current appeals and one expected appeal; the provision of administration services by the Mechanism following the closure of the International Tribunal for the Former Yugoslavia and the ensuing discontinuation of its administrative support to the Mechanism through double-hatting and cost-sharing arrangements; and the proposed temporary strengthening and refocusing of the fugitives tracking team.

46. **Mr. Ruiz Massieu** (Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on the second performance reports for the biennium 2016–2017 of the International Tribunal for the Former Yugoslavia and the International Residual Mechanism for Criminal Tribunals and the proposed budget of the Mechanism for the biennium 2018–2019 (A/72/654), said that the second performance report on

the final biennium of the International Tribunal for the Former Yugoslavia, which was scheduled to close on 31 December 2017, reflected an increase of \$7.7 million compared with the revised appropriation for the same period, owing mainly to separation entitlements for staff members. The final appropriation would amount to \$105.7 million. The second performance report for the Mechanism for the biennium 2016–2017 reflected a decrease of almost \$3.8 million compared with the appropriation, which was attributable to changes in exchange rates and higher than approved vacancy rates. The final appropriation for the biennium 2016–2017 would amount to approximately \$132 million.

47. With respect to the proposed budget of the Mechanism for 2018–2019, the Secretary-General had requested an amount of \$215.4 million, which represented an increase of \$79.6 million, or almost 59 per cent, compared with the appropriation for the biennium 2016–2017. While acknowledging the large amount of judicial activity anticipated in The Hague in the biennium 2018–2019, the Advisory Committee considered that, from an administrative and budgetary perspective, the significant increase in requirements would defeat the purpose of the decision to close the International Tribunal for the Former Yugoslavia and replace it with the Mechanism. Given that the biennium 2018–2019 would be the first budget period during which the Mechanism would fully absorb the residual work of the international tribunals, the resource requirements must be considered as the baseline for the Mechanism going forward. The Advisory Committee considered that the requirements had not been fully justified and therefore recommended that the General Assembly should authorize the Secretary-General to enter into commitments in an amount of \$44 million for the maintenance of the Mechanism during the first half of 2018 only, and should request him to submit a revised budget proposal for 2018–2019.

48. **Ms. Pereira Sotomayor** (Ecuador), speaking on behalf of the Group of 77 and China, said that the Group took note of the savings made with regard to the International Residual Mechanism for Criminal Tribunals as a result of the strengthening of the dollar against the euro and the Tanzanian shilling, lower inflation and the absence of trials at Arusha during the biennium 2016–2017. However, the Secretary-General's decision, without proper justification, to rely more heavily on the branch in The Hague was a cause for concern and had largely defeated the purpose of closing the International Tribunal for the Former Yugoslavia and replacing it with the Mechanism. In informal consultations the Group would seek information about the circumstances that had led to that

decision. The underutilization of the new facility for the Mechanism in Arusha was particularly worrying, especially when the branch in The Hague was currently housed in rental premises. The Secretary-General should address the underutilization of facilities in the context of management reforms.

49. The Group was dissatisfied with the Advisory Committee's recommendation not to provide the Secretary-General with the required resources and to request the submission of a revised budget, as that would prevent the Mechanism from implementing its programmes in a timely fashion. The revised information should instead be provided in the form of supplementary information.

50. The Group supported the Advisory Committee's recommendation to retain the posts of Prosecutor (Under-Secretary-General) and Special Assistant (P-4) in the Arusha branch rather than to move them to The Hague without adequate justification.

51. **Mr. Burity** (Angola), speaking on behalf of the African Group, said that the Group took note of the savings realized with regard to the anticipated final level of expenditure for the International Residual Mechanism for Criminal Tribunals. Nevertheless, the Group was concerned by the continued reliance, without proper justification, on the branch in The Hague. The current proposal involved moving staff to a more expensive duty station, while failing to take advantage of the new building in Arusha. Such initiatives undermined the purpose of the decision to close the International Tribunal for the Former Yugoslavia and replace it with the Mechanism. The Secretary-General should explore the possibilities of using low-cost duty stations as a way of achieving budget efficiencies.

52. The Group disagreed with the Advisory Committee's recommendation that the General Assembly should not approve the required resources and should request the Secretary-General to submit a revised budget, as withholding the planned resources would compromise the timely implementation of the Mechanism's programmes. The revised information should instead be provided in the form of supplementary information.

The meeting rose at 11.20 a.m.